

JPRS 79519

24 November 1981

# South and East Asia Report

No. 1071



FOREIGN BROADCAST INFORMATION SERVICE

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24 November 1981

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## FREE TRADE ZONES PROLIFERATING IN ASIA

Kuala Lumpur BUSINESS TIMES in English 28 Sep 81 p 6

[Article by Adlai J. Amor]

[Text] DESPITE growing reservations about their effectiveness in transferring technology to developing countries, free trade zones (FTZs) continue to be developed at a fast pace throughout Asia.

More than 80 FTZs exist in the world today, of which more than half are in Asia. Sources say that 40 more are on the drawing boards all over the world.

Among the latest to join the bandwagon is Bangladesh, which is feverishly trying to make up for lost time. It is developing a 101-hectare FTZ in the main port city of Chittagong. Two more are being planned, one near the international airport in Dacca and another at the port of Chalna.

These zones are called by many names throughout Asia. They are called export processing zones, free production zones, investment promotion zones, but free trade zone is the most widely used.

These zones began in the 1960s as an offshoot of transnational corporate development. Giant firms began roaming the world to find cheap labour for unskilled and semi-skilled assembly work. But their origins could be traced back to the last century when Hong Kong and Singapore were established as "free ports" — free that is from bureaucratic hassle and, excise duties.

Asia's FTZs are actually mini-free ports which allow imported raw materials and components to be processed and then exported. They are used by governments mainly as magnets to attract foreign investment and generate some foreign exchange. Experts have described these zones as "countries within a country." Here, investors are given the "Five Freedoms." Freedom from import duties, freedom from import quotas, freedom from paying corporate income taxes, freedom from paying property taxes and freedom from paying excise taxes.

Attractive fiscal incentives are also thrown in for good measure: subsidised rents, utilities, training programmes, low interest rates, limits on the right to strike (a total ban in some zones) and limits on the exercise of political rights.

Aside from generating foreign exchange, FTZs also provide employment and sop up the excess labour in many Asian countries. In fact, these zones are seen mainly as "labour camps" or places where local residents can be trained and employed.

By sopping up excess labour, Asian governments also think that somehow — as if by magic — the technological skills of the West could be transferred immediately to their countries. But even the United Nations

Conference on Trade and Development doubt this. Still, many countries have hinged their industrialisation programmes on the development of more free trade zones.

Many officials cite the examples of Singapore and Hong Kong which have used free trade zones to propel their economies into industrialisation. They started as mere sweatshops but have now graduated into sophisticated high technology. Their feat would be difficult to duplicate.

Still, countries like Sri Lanka hold Singapore as their development model, reports *Depthnews* correspondent Mallika Wanigasundara. In 1978, Sri Lanka established its first free trade zone — which it called an investment promotion zone — in Katunayake, some 18 miles from Colombo. Two more zones are being planned nearby: in Biyagama and another in Wellisara.

Of the proposed zones, only the 165-hectare Biyagama zone is being developed. When completed, it will cost the government some 300 million rupees (US\$33 million).

Among Asian countries, Sri Lanka has the lowest wages, lower than even in India. These low wages — the lowest pay would be 600 rupees (US\$60) monthly — have been the main attraction

for the establishment of 40 factories within the zone. Some 18 factories are being constructed and 75 more are planned.

The factories have exported some 1 billion rupees (US\$64 million) worth of goods. The Katunayake zone employs 18,000 workers — 90 per cent of whom are women — engaged mainly in the garments industry.

Sri Lanka and other countries like China (with four FTZs planned), Indonesia and Bangladesh have been described by experts as the "second wave of FTZs." As wages increase in Singapore and Hong Kong, these poorer countries are giving them competition with their cheap labour.

But it might take some time before these "second wave" countries will be able to gain full benefits from their FTZs. For example, Indonesia is still in the "minor league," reports *Depthnews* correspondent Warief Djajania.

Indonesia's two FTZs are still in their formative stage. The 18 companies in the first zone — in Jakarta — employ 7,029 workers. Of this number, however, 14 are domestic in nature. The other zone, in Central Java, has no manufacturing plants but handles export-import services only.



One other zone is under construction in the island of Batam, some 19 kilometres south of Singapore. What is interesting is that the development of this zone is being undertaken by both Indonesia and Singapore.

The new zone fits well into Singapore's scheme, as it shifts into higher technology. It will have to phase out labour-intensive industries. Batam Island will, of course, be the relocation area.

Throughout Asia, the two countries to watch in terms of FTZ development would be Malaysia and the Philippines. These two countries are blessed with large amounts of indigenous energy and a growing pool of highly literate and skilled workers.

Malaysia already has eight FTZs (with six less developed support zones), while the Philippines has five.

Depthnews correspondent Li Shui-hua reports that Malaysia's FTZs are mainly engaged in electronics manufacturing, with a sprinkling of textile, food, optical glass and precision equipment makers. Companies have invested more than M\$335 million (US\$227 million) in all the eight zones.

Malaysia's FTZs employ a total of 60,400 workers — among the

highest in South-East Asia. Labour specialists say that the working conditions in the zones are far better than outside, with workers earning as high as M\$900 (US\$380) monthly. In other factories, they have profit-sharing schemes.

The zones, however, lack housing facilities and other amenities. Workers often live outside the zones, sharing a room or a house with others. Jamilah Ariffin, who recently surveyed the conditions of women workers in the zones, says as many as 30 workers live in buildings which have been converted into living quarters using makeshift partitions.

While these conditions would be considered unbearable by many, most of the workers are apparently satisfied with what they have. "Having come from a background of poverty, the women thought their standard of living improved. Only about 3 per cent said it had deteriorated," Ms Jamilah said.

Last year, however, workers in electronics factories in the Bayan Lepas FTZ (in Penang) organised several wildcat strikes to protest wages and working conditions. The well-ex-

ecuted strikes took management by surprise and their demands were met. Apart from this incident, labour relations in Malaysia's FTZs are generally tranquil, reports Li Shui-hua.

Despite a ban, the Philippines' first export processing zone in Mariveles, Bataan was also hit by wildcat strikes in the last two years. A Ministry of Labour official told Depthnews that the worst was a rash of strikes which occurred when martial law was lifted last January. Many of the strikers complained of low wages, lack of benefits and the refusal of management to bargain.

But with a new strike law, foreign investors in the Philippines are still assured a great measure of industrial peace.

Compared with many Asian FTZs, conditions in the Philippines' export processing zones are far better. The Bataan, EPZA, for example, is a planned community with lots of green space, housing for the workers, hotels, theatres, schools, a shopping mall and other amenities.

Although the four other Philippine zones do not have the same amenities, they are close enough to cities where housing, recreation and shopping facilities

are already available.

These five zones — in the southern cities of Davao and Mactan, in the nearby city of Cavite, Bataan and in the resort city of Baguio — employ a total of 23,260 workers whose payroll exceeded 76 million pesos (US\$16 million) last year.

There are more than 61 companies in these zones, mostly engaged in electronics. Last year, these firms exported a total of US\$176.9 million worth of goods. This year, Philippine Export Zone Authority officials say exports will hit US\$200 million.

In addition to the five zones, ten more will be constructed throughout the Philippines. In five years' time, these zones will have blanketed the country and hopefully, will have dispersed the industries to the countryside.

If there are two countries that should be able to duplicate the feats of Singapore and Hong Kong, it would be Malaysia and the Philippines. In a short span of time, they have leaped from purely garments and textile-oriented FTZs into the assembly of sophisticated technological devices. — Depthnews Asia



NOMINATION PAPERS OF 72 CANDIDATES VALID

Dacca THE BANGLADESH TIMES in English 23 Sep 81 p 1

[Text] Nomination papers of 72 candidates for November 15 presidential election were found valid on scrutiny on Tuesday.

Acting President Justice Abdus Sattar of Bangladesh Nationalist Party, Dr Kamal Hossain of Bangladesh Awami League (Hasina) and General (Retd) Mohammed Ataul Ghani Osmany of Jatiya Janata Party and candidate of the Citizens Committee were among the candidates whose nomination papers were found valid.

The nomination paper of Acting President Justice Abdus Sattar, proposed by Begum Khaleda Rahman, wife of late President Ziaur Rahman was found valid.

Eighty-three candidates filed nomination papers for contesting the presidential election on Monday.

The Returning Officer who conducted the scrutiny in presence of representatives of the candidates rejected 11 nomination papers on various grounds.

Nomination paper of Syed Altaf Hossain, chief of Ekota Party was found invalid. Other parties whose nomination papers have been rejected are Mr Jonab Ali, Mr Abdur Rashid, Sheikh Md A. Mannan, Mr Abul Kashem Rizvi, Mr Ansar Ali, Mr Naresh Chandra Mandal, Mr H. M. Azimus Sattar, Mr Md. Enamul Hoque Chowdhury and Mr Abul Kashem Biswas.

Appeals against the decision of the Returning Officer may be made to the Election Commission within three days.

The scrutiny of the 83 nomination papers took seven hours from 8 a.m. to 4-30 p.m.

The last date of withdrawal of candidates is October 14. Election symbols will be distributed among the candidates after the withdrawal.

Other prominent leaders whose nomination papers were found valid include: Major (Retd) M.A. Jalil of JSD, Khan A. Sabur, of Muslim League Moulana Abdur Rahim of IDL, Prof Muzaffar Ahmed of NAP (M) Dr Alim-Al-Razee of People's League, Mr Rashed Khan Menon, of Workers Party, Mr Mohammed Toaha of Samvabad Dal (M-L) and Mr Nirmal Sen of Krishak Sramik Samajbadi.

LIST OF POTENTIAL PRESIDENTIAL CANDIDATES

Dacca THE BANGLADESH OBSERVER in English 22 Sep 81 p 1

[Text] The following is the list of 83 candidates who filed their nomination papers to the Election Commission on Monday for contesting the Presidential polls scheduled to be held on November 15, reports BSS.

They are acting president Mr Justice Abdus Sattar, [name illegible] Golam Mostafa, Mr Azizul Islam, Mr Shahjahan Chowdhury Syed Shamsur Rahman, Mr Abdul Hamid Khan, Mr Aftabuddin Sheikh, Mr Ansar Ali, Mrs Selina Majunder, Mr Minnot Ali, Mr Roushan, Mr Zilur Rahman Kha Nural Islam, Mr Saleuddin Ahmed Chowdhury, Md Akram Hossain Kazi Syedul Huq, Omar Bin Kasimuddin, Mr Zakir Hossain, Nizamuddin Master, Alhaj Maulana Khajrul Islam Jeshori, Mr Golam Mostafa Moju, Maluana Mohammadullah, Dr Lutfur Rahman Janangir Khan A. Sabur, Chief of Bangladesh Muslim League, Mr Nurul Huq, Mr Saifur Rahman MD. Abdul Jobbar, Mr Faizul Kabir, Mr Siddiqur Rahman, Al-Haj Maulana Md. Obaidullah Bin-Sayeed Jalalabadi, A. S. M. Abdullay, Md. Abu Safi, Mr Harun-ar-rashid, Mr Abul Kasem Biswas, Mr Abdur Rahman Khan, Maulana Md. Abdur Rahim, chief of Islamic Democratic League (IDL) Mr Abdul Gafur, Mr Soleman Mia Dr Aleem-al-Razee, chief of People's League, Dr Mostafa Abazuddin Ahmed, Md Jonab Ali, Mr H. M. Azizus Sattar, Mr Azizul Huq Bhuiya, Dewan Md. Abdus Salim, Mr Sadek Mia, Mr M. A. Sobhan, Sheikh Abdul Manna, Mr Ali Hussain Akhter, Mr Noresh Chandra Mondal, Mr Mahbubul Alam, Md Enamul Huq Chowdhury, Kh. A.K. Md., Ali, Dr Kamal Hossain, a member of the Presidium of Bangladesh Awami League (H).

Mr Sharif Nur Muhammad, Mr M. A. Majid, Prof. Muzafar Ahmed chief of National Awami Party (Muzaffar) Major (Retd), M.A. Jalil chief of Jatiya Samajtantik Dal (JSD), Mr A.B.A. Mosiudowla, Mr Monuranjon Das, Mr A.S.M. Shamsul Huq Siraji Kazi Md, Shahjahan General (Retd) M. A.G. Osmani chief of Janata Party, Mr Madhob Boginda Saha, Syed Anwar Hussain chief of Ekota party, Mr Sirajul Islam, Mr Abdur Rashid, Mr Afazuddin Chowdhury, Mr K.S.M. Abul Kalam Azad, Mr Mohammad Toaha, chief of Sammabadi Dal (M-L)

Mr AbdulMalek Md, Abul Kashem Rizvi, Mr Nuruzzaman, Mr Moinul Alam, Mr Nuruz-zaman, Mr Moinul Alam, Mr Sharafat Hossain Chowdhury Al-Haj Golam Morshed, Abul Khair, Md Shamsul Huda, Md Lutfar Rahman Rashed Khan Menon chief of Workers Party Mr Anwar Hossain, Md. Khalilur Rahman Majumder, Mr Nirmal Sen, a leader of Sramik Krishak Samajbadi Dal (SKSD) Mr Abdus Sattar and Mr Abdur Razzak.

## NATIONAL FRONT EXPLAINS STAND ON ELECTIONS

Dacca THE BANGLADESH TIMES in English 23 Sep 81 pp 1, 8

[Text] The National Front decided not to participate in the presidential election because "it did not want to be a party to the process for continuation of one man autocratic administrative system."

The central committee of the Front which met on Monday afternoon under chairmanship of Mr Ataur Rahman Khan MP and Convener of the Front and chief of Bangladesh Jatiya League.

The central committee of the Front felt that the need of the hour was a sovereign parliament with responsible cabinet government in the greater interest of the nation for overcoming the prevailing political unrest and crises.

The Front felt that the independence and sovereignty of the country was now in danger and South Talpatty, Angarpota-Dahagram enclaves were being handed over to the Indian ruling class.

The Front felt the need for leading the united consciousness of the people in the backdrop of economic crisis, and sufferings in public life to its logical conclusion, and called for a strong movement for establishing a patriotic democratic government.

The Front also criticised opposition political parties which had earlier given pre-conditions for participation in the election, but decided to nominate candidates before the demands were fulfilled, said a press release signed by Mr Ataur Rahman Khan MP.

### Gonotantik Party

The Gonotantik Party wanted to participate in the presidential election as a part of movement but could not do so because the National Front through which it wanted to participate in the polls decided for nonparticipation, and because presidential election was too expensive for a single party to bear.

This was disclosed through a Press release of the party issued at the conclusion of the two-day meeting of its Central Organising Committee at the party central office in the night following Sunday. The extended meeting was presided over by Haji Mohammad Danesh.

MOHAMMAD TOAHA ANNOUNCES ELECTORAL PROGRAM

Dacca THE BANGLADESH OBSERVER in English 29 Sep 81 pp 1, 12

[Text] Mr Mohammad Toaha MP, presidential candidate of 'Patriotic Front' announced on Monday a 21-point electoral programme of the front.

The programme includes the electoral pledges of the front for introduction of parliamentary form of government, reduction of dependence on foreign aid, development of an independent national economy and establishment of heavy and basic industries in the state-owned sector and that of light consumer goods industries in the private sector.

It further states that the front would stand for transfer of public sector industrial unit to their former Bangladeshi owners, implementation of the policy for guaranteeing land to the tillers and elimination of absentee ownership of lands, return of the "revolutionary heroes of August 15 '75" to the country and information of an united alliance of South Asian countries like Pakistan, Bangladesh, Nepal, Sri Lanka and Burma for countering the 'aggressive' designs of Indo-Soviet clique.

The 21-point electoral programme of the front also incorporates its pledges to scrap the 25-year Friendship Treaty with India, to recover South Talpatty Island Angorpota, Dahagram Lathitilla and Muhurir Char from illegal occupation of India and to impose a ban on the import of luxury goods from India and other countries in the interests of developing the domestic industries.

Announcing the programme at a Press conference at the office of the front, Mr Mohammad Toaha ruled out the possibility of withdrawal of his candidature.

He was bitterly critical of 'Awami-baksalites' and alleged that they (Awami-Baksalites) sold out completely the national interests to the Indian ruling cliques during their tenure and the people of Bangladesh had rejected them. He was of the view that the 'Baksalites' were now trying to stage a comeback with "new blessings of India."

While making a comparison between the role of the present government and that of the Awami-Baksalites he said that the present government had taken some measures though short of requirements, to safeguard national independence and state sovereignty while the Baksalites bartered away the national interests in toto.

Mr Toaha observed that the (CPB) Communist Party of Bangladesh along with its fraternal and friendly front organisations had for long been playing an utterly opportunist role as the servitors of certain foreign powers.

Replying to a question about the execution of twelve army officers for their involvement in the Chittagong mutiny and killing of President Ziaur Rahman he said that the execution deserved neither condemnation nor congratulation. The concerned army officers had been convicted in accordance with the existing law of the land, he maintained.

CSO: 7222

DELEGATE'S SPEECHES AT HAVANA PARLEY REPORTED

Text of 16 September Speech

Dacca THE BANGLADESH OBSERVER in English 20 Sep 81 p 5

[Text of speech by Sultan Ahmad Chowdhury, deputy speaker of Parliament and leader of Bangladesh delegation at inaugural session of 68th Inter-Parliamentary Union Conference; 16 September 1981 in Havana]

[Text] My delegation brings this august gathering of Parliamentarians the warm and friendly greetings and the best wishes of the Parliament Government and the people of Bangladesh. Our special thanks go to the host for the excellent arrangements made for holding this conference.

A few months ago Bangladesh lost its great leader President Ziaur Rahman. Our nation stood this traumatic experience with courage maturity and determination. The nation rededicated itself to sustaining democratic principles and values. The Vice-President took over the reins as Acting President and the Parliament continued to function. As mandated in constitution the presidential election has been scheduled on 15th November 1981. With this election, which the Government has promised will be free fall and impartial the constitutional provisions for electing a successor in such a grave situations will have stood the test of time and the democratic institutions and values in the country will be further strengthened. It is a tribute to the wisdom of late President Ziaur Rahman as also to the love and commitment of our people for democracy that the constitutional process in the country has been functioning successfully.

Turning to the political, economic and social situation of the world, over the past year, global peace and stability faced new challenges and crises. Arms race continued unabated. The competition between superpowers and a marked propensity towards hegemonism and domination by some of the bigger countries have created fresh points of tension. The situation in the Middle East continued to pose the gravest threats to peace and stability of not only the countries in the region but also the world at large because of the acts of aggression by Israel and its continued violation of the provisions of the United Nations Charter. The racist South African authorities continued to flout the fundamental principles of civilized behaviour and world opinion both at home and through its illegal occupation of Namibia and its acts of aggression in the neighbouring countries. We will make separate statement on the situations in the Middle East and Southern Africa.



The situations in Kampuchea and Afghanistan continued to pose serious threats to the peace and stability of our region. The universally acclaimed principles of inviolability of sovereignty and territorial integrity of states; non-interference in the internal affairs of others and non-use of force in resolving international problems have been grossly violated in both these cases. We reiterate our support with the world community in demanding the complete withdrawal of all foreign troops from these countries and for establishment of proper atmosphere to enable their people to choose freely their social; economic and political system. This must also create an acceptable situation to enable the refugees to return to their home and hearth. We believe that the solution of these problems will positively contribute towards the reestablishment of an atmosphere of confidence, trust and respect in international life.

We are deeply concerned that there has been a perceptible recession in negotiations on international economic issue that continued to divide mankind into the industrial and affluent North on the one hand and the deprived and poor South on the other. Coming in the wake of serious economic problems facing all countries, both developed and developing, such an atmosphere has gravely harmed economic prospects. At present, slow growth and high inflation are widespread. Unemployment is assuming massive proportion. With the breakdown of fixed exchange system weaknesses in the trading and financial environments have led to international economic convulsion. Prices of commodity exports of developing countries have been facing severe recession. This, coupled with escalation of price of energy and other inputs have rendered many developing countries extremely vulnerable. The combined current account deficits of the oil importing countries rose from \$26 billion in 1978 to \$70 billion in 1980. Under the circumstances, the middle income developing countries were forced to incur even further debt accumulation while the low income developing countries were forced to reduce their already low levels of consumption, investment and imports. Per capita growth rate in the low income countries were more than halved from 1.8 per cent in the 1960s to 0.8 per cent in the 1970s. External indebtedness of the developing countries increased alarmingly and has now reached the staggering sum of \$400 billion. As against this, contrary to all expectations, and indeed widely accepted targets, assistance to developing countries have declined in real terms. The condition of the least developed countries have deteriorated most critically. The economic situation has continued to stagnate at a very low level, and in many cases, have shown signs of even further decline. As a result, the gap between the richest countries and the poorest countries of the world is increasing rapidly. The least developed countries are also rapidly falling behind other developing countries.

The North including Eastern Europe with only a quarter of world's population commands 4/5th of its income. on the other hand over a billion people in the South live in abject poverty and many of them on the verge of starvation. No one should live in fool's paradise that a few islands of prosperity here and there can ensure its existence in a sea of poverty for considerable length of time. The world is crying for the reordering of International economic order and the enlightened self interest of all demands no one should go against the presumption of age. The Brandt commission report also demonstrates that it is mutual advantage of both the North and the South to establish a New International Economic Order.

In this backdrop the need for resolving the problems of global economic cooperation are more urgent and important than ever before. Yet, unfortunately, the Global Round of Negotiations continue to remain stalled. Indeed, the negotiations on its launching of the Global Round of Negotiations has remained deadlocked for a full year now. It may be recalled here that the 11th special session of the General Assembly, which ended on 15th September last year in failure, was supposed to launch the Global Negotiations aimed at resolving international economic issues. We must not waste any more time in starting the Global Negotiations. Otherwise the economic crises in the 80s will be much more acute, both in depth and dimension as compared to those in the 1970s. In the words of our late President Ziaur Rahman "we must face the challenge of the contemporary world. The need of the hour is for bold and imaginative action. We will not find solution if we cling to outdated concepts and institutions. We must act in concert and work for a better and nobler life for all segments of the family of mankind. The nations of the world together have the resource and technology to achieve this goal."

Inter-dependence and mutuality of interests are now recognised fact of our global community. We, the parliamentarians, because of our unique position have a very important role to play in furthering this process of interdependence and mutuality of interests in a positive manner for economic and social development of our people in an atmosphere of peace, security and stability. Let us rededicate ourselves to enhancing human dignity, basic human rights, economic security and our belief in the values of justice, freedom, peace and mutual respect.

#### Text of 22 September Remarks

Dacca THE BANGLADESH OBSERVER in English 26 Sep 81 p 5

[Text of speech by Sultan Ahmed Chowdhury]

[Text] It is an affront to human conscience that the last vestiges of colonialism still exist in its most degrading form in South Africa and Namibia. The hated policy of apartheid in this late twentieth century is a disgrace to our civilized existence and dignity of human being.

We in Bangladesh are well aware how much suffering and sorrows, trials and tribulations, terror and torture, fires and fetters, toils and tears are associated with the struggle against colonialism and for self-determination. We therefore have a natural and moral sympathy for the valiant struggle for freedom and self-determination of the people of Azania and Namibia. We believe that every victory for self-determination adds to the common gain for humanity.

We are deeply concerned that South Africa in its desperation has been waging armed aggression against the neighbouring countries, as in Angola, in a vain effort of intimidation. We condemn such acts of blatant aggression as gross violation of the Charter Principles of the United Nations and as violation of all moral and legal precepts. But we believe that the racist minorities of South Africa cannot withstand the wave of freedom especially when they have no moral and legal support.



Bangladesh is firmly opposed to all forms of colonialism, racialism, racial discrimination and apartheid and remains constitutionally committed to support all struggles for the total elimination of such curses from human society. I take this opportunity to reaffirm the solidarity of the people of Bangladesh with the brave people of Namibia and Azania for their heroic struggle for freedom. We believe, SWAPO is the legitimate and sole representative of the people of Namibia. We condemn the continued violation of South Africa of the verdicts of the United Nations. The recently held special Session of the U.N. General Assembly on Namibia has been of much importance in putting into sharp focus the urgent need for resolving the independence issue of Namibia as per resolution of the United Nations.

The brazen intransigence of South Africa is the major obstacle to a negotiated settlement envisaging the independence of Namibia through a free and fair election under the supervision of the United Nations as per Resolution No 435 of the Security Council. Our support in this regard is unqualified. As a member of the Council of Namibia we are committed to uphold the just and legitimate cause of our Namibian brethren. We call for an early end to the illegal occupation of Namibia by South Africa. We want peaceful settlement. But we are afraid that because of the intransigence of South Africa, time for a peaceful and negotiated settlement may be running out fast. The international community must act fast and decisively before it is too late.

We owe a duty and obligation to ourselves and to our future generations for total elimination of all vestiges of colonialism, racism and apartheid. There is no reason for us to fail or falter in this just cause as victory will be ours in this struggle for slow are the steps of freedom but her feet turn never backward.

#### Stand on Nuclear-Free Zones

Dacca THE BANGLADESH TIMES in English 22 Sep 81 p 1

[Text] Havana, Sept 21. Mr Sultan Ahmed Chowdhury, Deputy Speaker of the Jatiya Sangsad has underlined the importance of the creation of nuclear free zone in the progress towards disarmament, reports BSS.

Speaking at the conference of the Inter Parliamentary Union (IPU) here on the question of disarmament the leader of the Bangladesh delegation said that necessary condition for disarmament must be created by diffusing regional tensions. The nuclear powers must respect any process for nuclear free zone.

He said that the mankind now faced with deadly weapons of mass destruction, there is a common concern the world over that a new and more intensive arms race could begin. The world military expenditure he said, exceeded 500 billion dollars in 1980. This is roughly six per cent of the total world output.

Mr Chowdhury said mutual distrust between East and West, as well as extremely slow pace in the search for finding solution to dangerous conflicts aggravate tensions and stimulate arms race, we are greatly concerned about the insane competition for acquiring weapons of war and mass destruction we are against all weapons of mass destruction.

If only a fraction of the money, manpower and research presently devoted to military uses were diverted to economic development. The future prospect of the developing countries would have been entirely different, for example, it is estimated that only one-thousand of the world's annual military spending would have been enough to eradicate malaria and the cost of a ten-year programme to provide for essential food and health needs in developing countries would be less than half of one year's military spending.

While the prevention of nuclear arms race must remain the foremost concern of disarmament for the survival of human race, conventional or non-nuclear weapons reduction must also receive due importance, this is evident from the fact that weapons account for 80 per cent of all arms spending, moreover, industrialised countries sales of conventional weapons to developing countries 70 per cent of all arms exports and such sales are increasing. An additional dimension of such build-up of conventional weapons increases tensions in arms of conflict this constitutes very grave threat to international security because local wars can draw into their vortex bigger powers.

#### Remarks on Israel

Dacca THE BANGLADESH TIMES in English 27 Sep 81 p 5

[Excerpts from speech by Sultan Ahmed Chowdhury]

[Text] The unabated acts of armed aggression by Israel, its flagrant violation of all norms of international relations between states, its disrespect for the principles of civilised behaviour and its total disregard of the principles enshrined in the United Nations Charter continue to pose the gravest danger to international peace and security. The recent wanton attacks by Israel in Lebanon including indiscriminate bombing over civilian population in Beirut and its senseless raid on the atomic reactor plant in Iraq have aggravated the tensions in the Middle East and further escalated the dimensions of the conflict. These have also demonstrated the pattern how Israel continue to totally disregard the principles of inviolability of the territorial integrity and sovereignty of states. We condemn in strongest terms these wanton acts of aggression.

Israel is also seeking to perpetuate its fruits of aggression by its continued occupation of the Arab lands including the West Bank and the Golan heights in violation of the clear decisions of the United Nations. In gross violation of the principles of human rights, it has been systematically seeking to change the historical demographic and cultural character of the occupied Arab lands and the Holy City of Jerusalem through its settlement policies of judaisation and declaration to make Jerusalem its so-called eternal capital. Moreover, in the name of archaeological excavation Israel has been endangering the important monuments of great historical and cultural significance to Muslims including the Holy Mosque of Al-Aksa. These are acts of grave provocation to the Muslims all over the world because of our sentimental and religious attachment to these treasures of mankind and we condemn Israel in the strongest terms for such actions. Jerusalem's historic character must be preserved at all cost and full Arab sovereignty over this city must be restored. Let me reiterate my statement made last September '80 in Berlin that Jerusalem is an ever burning flame in our souls and its occupation is an everbleeding wound in our hearts.

Bangladesh firmly believes that the Palestinian issue is at the core of the Middle East problem and no solution on this can ignore or by-pass the fundamental legitimate and inalienable national rights of the Palestinian people to self-determination, including the right to establish an independent state of their own in their homeland. Bangladesh also believes that the Palestine Liberation Organisation (PLO) is the only legitimate representative of the Palestinian people and this indisputable fact must be fully recognised.

The Security Council adopted Resolution 292 in November, 1967. The United Nations General Assembly adopted Resolution No 3236 in November, 1974, giving guidelines for a comprehensive solution of the Middle East problem. An Emergency Special Session of the UN General Assembly was held in New York from 22-29 July 1980. This Session called upon Israel to withdraw completely and unconditionally from all the Palestinian and other Arab territories occupied since June 1967, including Jerusalem, with all properties and services intact and urged that such a withdrawal take place before November 15, 1980. The Session also reaffirmed that a comprehensive, just and lasting peace in the Middle East cannot be established except in accordance with the Charter of the United Nations and various UN resolutions on Palestine. It also expressed its opposition to all policies and plans aimed at the resettlement of the Palestinians outside their homeland. The meeting also demanded that Israel should fully comply with all UN resolutions relevant to the character of the Holy City of Jerusalem.

Israel continue to violate all these resolutions and decisions. The international community must therefore urgently consider measures to bring pressure upon Israel to see reason and legitimacy and to adhere to the character provisions of the United Nations and its relevant resolutions.

CSO: 4220/7211

FOREIGN MINISTER'S SPEECHES AT UNITED NATIONS

Speech to Foreign Ministers

Dacca THE BANGLADESH OBSERVER in English 27 Sep 81 pp 1, 12

[Text] New York, Sept 26--Former Minister Prof M. Shamsul Huq reiterated that our major foreign policy objective was to develop friendly and good neighbourly relations among states in the region with a view to creating a climate of peace and stability--an imperative for progress.

He was addressing the extraordinary meeting of the Ministers of Foreign Affairs and heads of delegation of Non-aligned countries at the UN on Friday.

Following is the text of the speech--

Mr Chairman, On behalf of the Bangladesh delegation, I wish to express my sincerest appreciation for convening this extraordinary meeting of the Foreign Ministers of the Nonaligned countries. I would also like to compliment you for the excellent report you have presented to us. For all my esteemed colleagues and the friendly peoples of all Non-aligned countries, I bring the warm greetings of the Government and people of Bangladesh.

Mr Chairman, at the outset, I would like to convey our profound gratitude to the Chairman of the Non-aligned Movement and other leaders of the Non-aligned countries for their warm tribute to the revered memory of the late President Ziaur Rahman. His deep commitment to the principles and objectives of the Non-aligned Movement and his untiring efforts in furtherance of the cause of Non-aligned Movement are well known.

Mr Chairman, Non-alignment is the cornerstone of the foreign policy of Bangladesh. We reaffirm our unswerving commitment to the objectives of Non-alignment in upholding the principles of sovereign equality and territorial integrity of all states, non-interference and non-intervention in the internal affairs of other states nonuse of force and peaceful settlement of all disputes. We sincerely hope that Non-aligned countries will work together in their efforts to further strengthen the unity and solidarity and mutual cooperation among them and to endow our movement with new vigour and dynamism in serving the cause of peace, freedom, justice and progress.

Mr Chairman the Non-aligned Movement has played a major role in carrying forward the movement for ending colonialism racism and apartheid. By steering clear of power blocks it has significantly contributed to the process of detente and the relaxation of international tension. It has helped in the promotion of social and economic development by fostering self-reliance and greater cooperation among member states and by mobilising efforts for the structural changes towards an equitable new international economic order.

Mr Chairman the Non-aligned Movement has emerged as an important political force in serving the cause of peace, freedom and justice in the world. We believe that strict adherence to the principles of Non-aligned Movement would provide firm basis for securing and safeguarding international peace and security and eliminating the remaining vestiges of colonialism and racism.

We view with deep concern the deteriorating world political situation. Our strict adherence to the principles of Nonalignment is clearly reflected in our endorsement of the resolutions adopted by the UN and the last conference of the Foreign Ministers of the Non-aligned countries on the problems of the Middle-East, Afghanistan Kampuchea, Namibia racism and apartheid. We grimly believe that the united efforts of the Non-aligned countries can bring about an early resolution of these problems thus removing a serious threat to international peace and security.

Mr Chairman to our great anguish the fratricidal conflict between the two brotherly Islamic Non-aligned countries Iraq and Iran still continues. We sincerely hope that the present hostilities will come to an end soon. In this regard, we commend the efforts of the non-aligned peace mission in resolving the crises. On our part, as a member of the Islamic peace mission, we shall continue our efforts in finding a solution to the crisis.

Mr Chairman, one of our major foreign policy objectives is to develop friendly and good neighbourly relations among states in the region with a view to creating a climate of peace and stability an imperative for progress. It is in this context that our late President mooted the idea of a South Asian Forum. Significant progress has been made towards the implementation of this proposal through the cooperation of the countries in the South Asian region.

Mr Chairman, the widening gap between the developed and the developing countries and the deepening economic crises engulfing both the developing and developed parts of the world clearly call for a global strategy of international cooperation based on a recognition of the interdependence of the nations and the interrelatedness of their interests. I hope that the forthcoming Cancun Summit will prove to be a step forward in the development of such a global strategy by paving the way to the launching of the global round of negotiations in a spirit of partnership and mutuality of interests of the nations of the world. We should also take full advantage of the gains made from the recently concluded economic deliberation and continue our efforts to create a favourable climate to hold the global round of negotiations with a view to establishing a just and new



international economic order. In forthcoming negotiations, we should ensure that economic cooperation among developing countries receive the attention that it deserves. In this regard, I would like to emphasise the importance of restructuring the world economy and creation of a global system based on cooperation, peace and equality. We are faced not with a single crisis but with a series of crises of staggering magnitude and complexity. In order to overcome these crises there must be solidarity and increasing cooperation amongst the developing countries with special attention to the needs of the least developed countries.

Mr Chairman in conclusion, I would like to reaffirm that the strength of the Movement lies in the clear reflection of its Non-aligned character in all its activities. As I have stated earlier it is in our own national and historical context that we had to choose Non-alignment as the guiding principle of our foreign policy and we are committed to its ideals and objectives. We must strengthen our hands in such a way that we could jointly formulate a strategy to make our movement more effective in serving the cause of peace and freedom to which it is dedicated.

#### Speech to General Assembly

Dacca THE BANGLADESH OBSERVER in English 29 Sep 81 pp 5, 6

[Text of speech of Prof Muhammad Shameul Huq, minister for foreign affairs of the People's Republic of Bangladesh and leader of Bangladesh delegation at 36th Session of the UN General Assembly; New York, date not given]

[Text] Mr President, Mr Secretary-General, distinguished delegates.

Members of the Bangladesh delegation bring you the warm greetings of the government and the people of Bangladesh. Bangladesh delegation also welcomes the admission of Vanuatu as a new member of the family of the UN, thus adding to the strength of the UN.

Mr President, on behalf of Bangladesh delegation and also on my behalf, I extend to you our warmest congratulations on your assumption of the high office of the President of this Assembly. We fervently hope that your outstanding personal qualities and wide-ranging experience will be of immense benefit to this Assembly in its deliberations.

To our esteemed friends who reposed their confidence in Bangladesh by voting for the Bangladesh candidates, we express our gratitude. We assure the new President, our full cooperation and support.

I would also like to convey our deep appreciation to H.E. Amb Von Wehmar for his valuable contributions as the President of the 35th General Assembly.

I would also like to convey our deep appreciation to H.E. Dr Kurt Waldheim, the Secretary General for his dedicated and untiring efforts in upholding the objectives and principles of the UN Charter and the courage and perseverance with which he continued to work towards our shared goal of international peace and security.

Mr President, this is the fifth occasion on which I have the honour of addressing this great Assembly, as the leader of the Bangladesh delegation. But on this occasion, I am performing my duty under the shadow of the tragic death of President Ziaur Rahman. I take this opportunity of expressing our gratitude to our friends who shared with us our grief and sorrow.

World leaders paid, many rich and well-deserved tributes to him. But the richest tribute came from his own people, to whose well-being the late President had dedicated himself. During this national calamity, the people of Bangladesh showed a rare sense of unity and determination in upholding the democratic principles and values in which the late President had an abiding faith and in carrying forward his unfinished task in raising the quality of the life of the people of Bangladesh and also in serving the cause of international peace and security.

Mr President, the distinguished delegates who have had the opportunity of listening to his address to the eleventh special session of the UN General Assembly in Sept. 1980 will recall his objective and analytical exposition of the problems that bedevil the contemporary world. This address was widely acclaimed for the courage, vision and statesmanship it reflected in underlining the interdependence of the nations and the inter-relatedness of their interests. In stressing the indivisibility of political and economic security, he made a stirring call for concerted action and united efforts on the part of all nations, north and south, east and west, OPEC and Non-OPEC.

The purport of the message of our late President found a reaffirmation in many of the illuminating statements made by my distinguished colleagues who spoke before me during the current session of the General Assembly. As I listened to these admirable, comprehensive and insightful analyses of the dynamics of our changing world, I felt heartened to see an emerging consensus among the nations of the world, cutting across the geographical, racial and ideological boundaries.

I shall try briefly to highlight some of the major elements of this consensus which reflect the realities of the contemporary world and are of crucial importance to its future.

Speaker after speaker have rightly stressed that the UN can be only as strong and effective as its sovereign member-states would like it to be, that despite the many constraints inherent in the present structure of world political and economic order, its role in reducing tension and containing armed conflicts has been commendable and that without the UN, our world divided and polarized would have been much worse and better. Bangladesh fully endorses this view.

Bangladesh also shares the concern and anguish expressed over the deteriorating world political and economic situation. But this is essentially the outcome of the lack of political will to respect the principles of the UN Charter to which all member-states are solemnly committed. For example, peace can be restored in the Middle East through implementation of UN decision and resolutions requiring Israel to withdraw from all illegally occupied Arab territories and restoring to the Palestinians their inalienable rights including their right to a state of their own. In like manner peace can be secured in Afghanistan and Kampuchea by withdrawal of all foreign troops from those countries and leaving their peoples free to determine their own destiny without external intervention in any form.

Bangladesh also endorses the view that the framework for a just and peaceful resolution of the problem of Namibia and for ending racism and apartheid in southern Africa is contained in the relevant resolutions of the UN. In like manner Bangladesh believes that a just and honourable settlement of the Cyprus problem to the mutual satisfaction of both the communities can be found through talks, initiated by the Secretary General of the UN.

The views expressed on the role of the non-aligned movement as a positive force in promoting international peace by checking great power rivalry and safeguarding sovereign equality and territorial integrity of the nations showed a striking unanimity. Bangladesh firmly believes in the strict adherence to the principles of non-alignment which forms the cornerstone of her foreign policy.

Bangladesh also subscribes to the view that peace and stability in various regions contribute to world peace and are an essential precondition for development. It has, therefore been the consistent endeavour of Bangladesh to maintain and promote friendly relations with her neighbours. As a logical corollary to this foreign policy objectives, Bangladesh is vigorously pursuing in cooperation with other countries in the South Asian region the proposal mooted by her late President for a South-Asian forum for regional cooperation.

Bangladesh fully agrees that the world economic scene is indeed most disquieting with the poor countries engaged in a grim struggle against hunger, disease and mass-unemployment and the rich industrialised countries also battling against inflation, recession and unemployment.

The political and economic problems are compounded by a decline in human and moral values.

These problems are however, not to be viewed as isolated phenomena. They fall into a pattern as interlinked parts of a larger and wider crisis, with its causes rooted in the present world order embracing the whole gamut of our inherited concepts, attitudes values and institutions. The present world political order tends to divide and polarize the nations and breeds fear, distrust and power rivalry. It is a world that is in great disarray. The newly emergent nations find their position highly vulnerable with declining respect for the rule of law and increasing use of the armed might. Peace hangs tenuously on the so-called, balance of power.

The concept of balance of power has, however, proved to be an anachronism. An inevitable byproduct of concept is the alarming escalation of the arms race. The annual expenditure of 500 million dollars is more than ten times of what is now available as assistance to developing countries.

With an existing stockpile of deadly weapons capable of destroying our planet many times over, such a staggering expenditure on arms is totally irrational. The reality is that it has increased and not diminished the sense of security of the great powers. It has bred more distrust and fear. Such wasteful use of an enormous volume of world's precious resources is also clearly immoral, when millions die of starvation and many more millions are struggling for their very survival. It has also unleashed a whole chain of frightening



reaction of inflation, recession unemployment social and moral decline, posing a serious threat to the delicate balance of the life-supporting system of our planet-the Earth.

Mr President, it is more evident than ever before that the problems facing its contemporary world cannot be removed if we remain captives of concepts attitudes and institutions of a By Gone era Nor can we expect them to be resolved in isolation or through confrontation.

Happily, there are clearly the signs of a new awakening of the world community to the need for adjusting itself to the new realities. One of these new realities in the emergence of the new independent sovereign states and their aspiration for making their independence meaningful through economic and social development.

Another reality is that we are members of an inter-dependent international community transformed by advances in science and technology. That we need a new concept of peace assured on mutual trust, harmony and cooperation, in order to ensure a good life for all members of the family of mankind. We have the resources and technology.

It is also a reality that an enormous productivity potential still remains undeveloped. The paramount need of the hour is a better perception of mutual needs, more rational application and management of the world resources, in developing the productivity potential on a global basis thus generating more productivity more employment, more income wider market with more goods and services to be shared by all nations.

Mr President, the world order which allows itself to be perpetually divided in to segments of rich and poor, with 800 million of its population in constant fear of starvation, is clearly irrational and preposterous. Through a global approach based on mutuality of interests and cooperative efforts the world can be rid of the scourges of hunger, disease and illiteracy that plague two-thirds of its population and of inflation, recession and unemployment that bedevil the remaining third.

Mr President, we firmly believe that political and economic security for the entire family of mankind is a goal that can be achieved through a concrete action programme outlined below:

I. All member states of the UN including the great powers honour their commitment to the principles of the UN charter.

II. Observe the rule of Law in international relations, respect sovereign equality and territorial integrity of all nations and renounce the use of force in the settlement of disputes.

III. Implement their commitment to the goal of disarmament, great powers themselves setting an example in checking nuclear proliferation, production of new nuclear weapons and gradual reduction in existing stock of such weapons.

IV. The non-aligned countries strictly adhere to the principles of non-alignment and reactivate the movement as a moral force in resisting all forms of expansionism, colonialism hegemonism and racism.

V. The principles of creating zones of peace, for example in the Indian Ocean, South Asia Southeast Asia the Pacific and Africa.

VI. More rational use and distribution of world resources and technology for full exploitation of the productive potential on a global basis.

VII. Develop a Food Security System to ensure supply of food from food surplus regions to food deficit ones and ensure flow of adequate inputs to countries with potential for rapid agricultural development.

VIII. Take immediate and appropriate steps for the implementation of the substantial new programme of action for the 1980s for the least developed countries adopted at the UN conference on the least developed countries held in Paris in September 1981.

IX. Within the framework of Economic cooperation among developing countries (CDC) surplus funds of OPEC countries should increasingly be invested in other developed countries with a priority assigned to the special needs of the least developed countries. In like manner, the more developed countries among the developing countries should also assist in the development efforts of the less developing countries.

X. In view of the energy crisis, an international consortium should be formed with assistance from both the industrial and OPEC countries for exploitation and development of energy in the Developing countries.

XI. Recognising the importance of the sea-bed resources of the developing countries the development and codification of an international law and a new universal convention governing the ocean regime to ensure just and equitable sharing of these resources including the sharing of the international river waters.

XII. Follow the democratic principle of equal and full participation of all countries in the formulation and implementation of decisions in all international forums.

On behalf of Bangladesh delegation, I would like to conclude by a reaffirmation of our faith in the vision of a new future for the family of mankind which inspired the founding fathers of this august body. In this vision is reflected the most important heritage of mankind namely man's undying spirit which has blazed its trail through the ages in surmounting obstacles in the search for peace, freedom, justice, equality and human dignity and opening up new frontiers of progress. We fervently hope that this spirit will inspire and unite the nations of the world in their efforts to move forward towards their shared goal of a better future for all mankind. Thank you Mr President.

CSO: 4220/7220

AMBASSADOR SPEAKS AT PRC ANNIVERSARY MEETING

Dacca THE BANGLADESH TIMES in English 30 Sep 81 pp 1, 8

[Text] Mr Liu Shu Qing, Chinese Ambassador in Bangladesh, has described the Sino-Bangladesh relationship as satisfactory and said that there existed a relationship of cooperation between the two countries.

He was addressing as the chief guest at a function organised by Bangladesh-China Friendship Society at Bangladesh Shilpakala Academy auditorium in connection with the celebration of the 32nd founding anniversary of China on Tuesday.

Presided over by the President of the society Speaker Mirza Golan Hafiz, the function was also addressed, among others, by Mr Abul Kashem, State Minister for Youth Development, Mr Mohammad Toaha MP, President, Bangladesher Samyabadi Dal (Toaha) and Mrs Jahanara Begum, President, Bangladesh Jatiya Jubo Mahila Sangstha.

The Chinese Ambassador said that the people of China wanted friendship with the people of Bangladesh and would work for consolidating the already close relationship between them. He expressed the hope that the peoples of both these countries would strive hard to improve their condition and would simultaneously work for maintaining world peace, particularly peace in the region.

He said that the people of China would gratefully remember the love and affection shown by the people of Bangladesh towards them.

Transition

Narrating in brief the history of transition from a capitalist to a socialist country, the Chinese Ambassador said that his country was a developing one and had been trying to improve the lot of the people.

Describing his country's successes in various field, he said that China believed in the internationalism of the have-nots and worked accordingly. He said that his country would continue to oppose imperialism, colonialism, expansionism and racialism and help those fighting for national liberation.

He said that as a staunch supporter of 'Panchshila,' his country believed in peaceful co-existence and in the policy of non-interference in one's internal affairs.

### Certain Mistakes

The Chinese Ambassador said that in the past certain mistakes were committed by leaders of his country in certain policy matters. "Had there been no adventurism, the country would have progressed further" he said.

In this context, he mentioned that the cultural revolution was a mistake and described it as an internal conflict. "We shall try to be careful about mistakes in the future and uphold the truth," he said.

The Chinese Ambassador paid homage to Chairman Mao Tse-tung. He, however, said that as a human being Mao had committed certain mistakes and showed weaknesses in some respect.

### Golam Hafiz

Speaker Mirza Golam Hafiz, while addressing the function expressed the hope that the existing bonds of friendship between Bangladesh and China would continue to be stronger day by day.

He said that friendship between the two neighbouring countries was necessary for maintaining peace in South-East Asia.

Speaker Mirza Golam Hafiz said that China, as the leader of the Third World countries had been helping the freedom loving peoples in their just struggle against colonialism. He thanked China for helping the poor nations without strings.

The speaker expressed the hope that as a friendly country China would always stand by Bangladesh in defending its sovereignty and territorial integrity. He said that those who tried to create rift in Bangladesh-China friendship were enemies of our independence and sovereignty.

The seminar was followed by a musical soiree and a film show.

CSO: 4220/2225

## MINISTERS SPEAK AT SEMINAR ON CONSULTANCY

Dacca THE BANGLADESH TIMES in English 19 Sep 81 pp 1, 8

[Text] Finance Minister, Mr Saifur Rahman said on Friday the country will have to spend nearly 70 million U.S. dollars (about Taka 135 crore) annually as consultancy fee during the Second Five-Year Plan (SFYP), reports BSS.

The figure is expected to increase by the end of the plan period, he said.

Inaugurating a two-day seminar on "consultancy industry in Bangladesh" the Finance Minister underscored the importance of engaging the local consultancy firms in the development of indigenous industry (consultancy industry) for the greater benefit of the society.

There are about 75 consultancy firms working in the country, over half of which are expatriates. The country at present spends about 40 million dollars per annum as consultancy fee.

Planning Minister Dr Fashiuddin Mahtab graced the inaugural session of the seminar organised by the External Resources Division (ERD) of the Ministry of Finance.

Aimed at creating awareness about the imperative need of developing consultancy service the seminar has been split into five working sessions, representatives of donor countries, academicians, head of different planning and executing agencies and high officials of the Ministry of Finance and Planning attended the opening session.

Mr A.M.A. Muhith, Secretary E.R.D. in his welcome speech gave an outline of the consultancy industry in Bangladesh.

Very Important

Describing the seminar as 'very important' the Finance Minister said it was essential to bring into focus the gravity of the issue and the role it plays in the development of the country's economic activities. He said consultancy constituted five to ten per cent of the expenditure of any project depending on the character of the project and the technology involved in it.

Criticising the prevailing attitude of choosing foreign consultancy firms in preference to local ones, Mr Rahman called for providing necessary support and patronage for the growth and development of local consultancy firms.

He said although consultancy firms were in existence here for quite sometime no concrete measures were taken to institutionalise them. Pointing out the inherent drawbacks of alien consultancy firms in appreciating the peculiarities of our condition and expectations of the people, the Minister urged for changing the 'unhealthy attitude' indiscriminate selection of foreign firms without taking into considerations all aspects of development.

#### Professional Ethics

Stressing the need for setting up professional ethics and code of consultancy firms, the Finance Minister said if we could develop consultancy in all fields we would be able not only to meet our requirements but also contribute our services under TCDC (Technical Cooperation among Developing Countries) programmes.

CSO: 4220/7210



# TOURISM MINISTER SPEAKS AT ROME CONFERENCE

Dacca THE BANGLADESH TIMES in English 20 Sep 81 p 3

[Text] Mr K. M. Obaidur Rahman, Minister for Civil Aviation and Tourism has called upon the international experts on tourism to set down their sell operations in a manner the Least Developed Countries like Bangladesh were not deprived of better share of the global tourist trade, reports BSS.

The Bangladesh Minister according to a message received in Dacca on Thursday, was speaking at the Fourth general assembly of the World Tourism Organisation (WTO) commenced in Rome on Tuesday. He was leading the Bangladesh delegation.

Referring to the world tourism statistics Mr K. M. Obaidur Rahman expressed his worries on the fact that South Asian region, where Bangladesh was situated, could attract only 0.7 per cent of the total tourist arrivals during 1972-79 compared to what the European countries marked at 71.5 per cent followed by American receiving 19 per cent of the total world tourists. Tourism scene in Africa, East Asia, Pacific and Middle East regions are no better contributing to the further widening of the gap in earnings from travel between the developed and developing nations. He pointed out adding that the imbalance must be removed.

Addressing the community of the international experts on tourism at the WTO General Assembly, Mr E. M. Obaidur Rahman informed them that tourism was a part of Bangladesh's total development endeavour and "we believe that expansion and development of tourism is of utmost importance to our growth process."

The Minister told that a ten-year perspective plan on developing tourism in Bangladesh was being prepared with an estimated cost of 3000 million taka to be implemented by 1990.

Seeking help from the WTO in implementing the plan the Minister asked the international community in the subject to come forward to invest in Bangladesh. He offered wide invitation to them to come for them selves and visit and explore the possibilities "so that we are mutually benefited by such investments."

He admitted the resource constraints due to which Bangladesh lacked in a tourism infrastructure and suprastructure for which investments from international tourism promoters were most welcome. In this connection, the Minister recalled the great zeal and efforts laid by the late President Ziaur Rahman who had proposed the South Asian regional cooperation marking tourism as one of the main aspects for the mutual understanding and development of the people of the region.

FINANCE MINISTER'S SPEECH AT PARIS CONFERENCE

Dacca THE BANGLADESH OBSERVER in English 19 Sep 81 pp 5, 6

[Text of speech by Mr M. Saifur Rahman, minister for finance and leader of the delegation of the People's Republic of Bangladesh to the U.N. Conference on the Least Developed Countries; Paris, date not given]

[Text] It is a great pleasure for me and the members of my delegation to be here in this great and historic city of Paris to attend the United Nations Conference on the Least Developed Countries. Let me express our sincere appreciation to the Government and people of France for their cordial hospitality. France has always been at the forefront of the efforts by the international community to attain peace, progress and development. For the excellent arrangements made for the conference we thank the Government of France, the Secretary General of the UNCTAD and the Director General of UNESCO.

My delegation is particularly pleased with your election as President of the Conference by acclamation. Your wisdom and calibre, your dedication and intellectual integrity give us the confidence that under your able guidance in all our deliberations we will be able to achieve the desired objectives. You have Mr President echoed our sentiments when you said "we must succeed." We offer you our total support in your endeavour. I also take this opportunity to convey the felicitations of my delegation to the Vice Presidents, the Rapporteur, General and the Chairman of the main Committees on their unanimous election.

We have listened with rapt attention the inaugural address of His Excellency President Francois Mitterrand. It was the most positive, inspiring and thought provoking speech the like of which we have rarely heard on an occasion like this. His statement has kindled great optimism and inspired high hopes. It has, indeed, set the tone of this unique conference--a conference devoted entirely to the problems of the weakest members of our specie. We wholeheartedly join in his determination to make the Paris Conference a milestone in North South Cooperation.

It is a matter of great satisfaction to us that His Majesty the King of Nepal and their Excellencies the Presidents of Kenya, Cape Verde and Rwanda have honoured us with their gracious presence. The message conveyed by them will surely stimulate us and give us guidance and direction during our deliberations. We record our deep sense of gratitude to these eminent leaders of the developing world.



Secretary General Dr Kurt Waidheim has very clearly defined the objectives of the conference. The high expectations must be fulfilled and the conference must evolve a concrete Programme of Action. The moot question is "to render significant assistance to these countries" and to do it soon.

UNCTAD Secretary General Mr Gamani Corea has been our friend and philosopher for this conference since its conception some three years ago. After providing us with a very competent report he has in his very comprehensive statement identified all the actions that the conference must take. For both novelty and pragmatism of his recommendations he rightly deserves our appreciation.

I would also like to thank the Director General of UNESCO for the very thoughtful comments he made in welcoming us to the conference.

Mr President, in the post war era right up to the early seventies we have been witnessing unprecedented economic growth in our planet while the lot of the absolute poor of the world has deteriorated to a condition devoid of minimum essential elements needed for human dignity. We can identify the achievements and failings of the three post war decades as follows:

- Global product has increased enormously placing at man's disposal a very large supply of goods and services per capita.

- A part of the human community has vastly increased its consumption of the resources of the world taking full advantage of its historically placed favoured position.

- Advance in science and technology has on the one hand eliminated time and space elements and on the other provided mankind with the means and tools for overcoming hunger, malnutrition; disease; ignorance and premature death.

- Cheap energy and opportunities for trade expansion have acted as engines of growth and provided for the vast expansion of goods and services.

- Even though developing countries as a group have recorded sustained high rates of growth, their per capita income has declined as a proportion of the per capita income of the rich from 10:1 to 17:1. Even in this deterioration there has been severe inequity as the least developed countries have suffered the worst. Their per capita income now is one fiftieth of the per capita income of the developed world.

- Population growth in the developing countries has been faster than growth in foodgrains production and in the least developed countries population growth has more than outpaced the growth in domestic product.

For well over a decade the conditions of the poorest countries have been a matter of some concern to the world. For both historical as well as geographic reasons some countries have remained structurally too weak and economically too backward to reap any benefits of global prosperity. It is not only the structure of production in these countries but also the quality of their human

material that stand in the way of their economic development. Ten years ago the international community identified these countries as least developed countries surely with a view to doing something special for them. But the record of these ten years is not at all flattering for us. The thirtyone least developed countries were less populous ten years ago, the number of absolute poor was somewhat less at that time. In these ten years life has become more difficult and more degrading for nearly two hundred and eighty million of the human race. We are all aware of the deficiencies that exist in these countries and societies. The Secretary General of this Conference has detailed them rather elaborately in his report. These countries and these people are just surviving at subhuman level. Low literacy, low productivity; poor health; poor diet and low income characterise them. For any visible change in their desperate situation there are five essential preconditions:

- They must have better food and health services.
- They must have sufficient supply of energy.
- They must have capital for investments.
- They must have technology and expertise to minister to their advantage.
- And they must have fair prices and market access for their products.

Fulfilment of these needs appear to be a tall order but not an impossible task. This conference for which ten years of thinking and at least three years of extensive preparation have gone on is indeed a challenge to humanity. Should the global community continue to tolerate the disgrace and the indignity that the conditions of the people of the LDCs represent? Should they continue to demonstrate their lack of seriousness and commitment to the implementation of the Action Programme adopted in June 1979? Should they allow turmoil, political instability and socioeconomic chaos to govern the thirtyone countries of the world with attendant moral and material crisis threatening world peace and security?

A little more than two years ago the first concerted attempt was made to awake the conscience of the world and tackle the problems of the least developed countries. In UNCTAD V after preparations of nearly a year, the international community decided to undertake a Comprehensive New Programme of Action for the LDCs. The first component of this programme, i.e. the Immediate Action Programme has indeed gone by default. The international economic crisis characterised by slow growth of trade, high prices of energy and capital goods, balance of payment crisis and declining real level of aid has played havoc with the efforts of the LDCs to improve their lot. In the meantime, slowly but steadily the LDCs have made preparations for the Substantial New Programme of Action for the 1980s. Each of the LDCs has prepared medium term plans spread over five to ten years with clearly defined objectives, policies and targets. True that these objectives and policies will need further sharpening and elaboration but surely there is a programme now that can be acted upon. The Group of 77 has presented a Substantial New Programme of Action for the 1980s. This is based on the thirty one country programmes and it contains all the important elements of a planned investment programme for the least developed countries.

--Food production and agriculture naturally enjoy the highest priority. Food security is a matter of utmost importance.

--Rural development is the corner stone of our development strategy.

--Development of natural resources and specially of all kinds of energy resources calls for urgent attention.

--Human resource development specially improvement in administrative and planning efforts and technical skills is a matter of grave concern to us.

--For countries like mine population planning is a question of the highest priority. The challenges of land hunger, resource scarcity and protection of the environment impose a greater responsibility for the rapid and successful implementation of our population control programme.

--Transformational investment in manufacturing are essential for the well-being and optimal use of resources and potentials in these countries.

--Finally comprehensive export promotion measures including market surveys, production plans and sales agreements are essential for our countries.

I have no doubt in my mind that the Conference will easily be able to agree on actions that the least developed countries are required to take. We are aware of our responsibilities and we have already taken the necessary initiatives.

The action initiated by the LDCs must be supported by the global community. The LDCs have outlined development programmes of about 240 billion over a ten-year period. This will mean herculean efforts in accelerating development activities. For implementing this programme the LDCs are seeking aid flow of 134 billion in this decade. This reflects tripling of development outlay in these countries over its present level. The acceleration envisaged in domestic resource mobilisation, however; is exactly double of that targeted for external resource flow. In view of low income levels and lack of capital assets in the LDCs, domestic resource mobilisation in the next ten years will not reach self-reliance levels. Structural changes also will not in this span of time significantly reduce trade gap nor will the need for capital import decline during this period. In 1980 the LDCs had a current account deficit of about \$7 billion. It is estimated to go up to \$24 billion in 1990. It must be recognised that development momentum has to be maintained for a long and sustained period. The age of cheap energy, rapid trade expansion; spectacular technological breakthrough and easy availability of raw materials is no longer there. Indeed, in the decade ahead the road to economic growth is bound to be long and bumpy and at times unpredictable.

International efforts are needed in four areas. First and foremost is resources transfer. This really is the crux of the issue before us.

--Without massive investment over a long period of time no structural transformation in the LDCs can be achieved. What the LDCs are lacking most at this stage is the requisite investable resources.

--Balance of payment deficits characterise the weak economies of LDCs. Requirement of capital goods energy and raw materials coupled with limited export potential and unfavourable terms of trade will continue to cause persistent payment deficits for the LDCs. Adequate resource flow must abridge this gap.

--In the LDCs maintenance of minimum standards of living require flow of food aid and importation of basic supplies. Real resource transfer is required for this purpose.

--The available manpower and natural resources in the LDCs are underutilised. These must be developed and optimally utilised. Resource input, both financial and technical, is needed for this purpose.

While adopting the LDCs the international community agreed to double aid flow to LDCs immediately and take firm decision on tripling and quadrupling it by 1984 and 1990 respectively. It is often said that the problem of the LDCs being confined to limited areas and small populations can be effectively tackled. Now is the time to live up to this expectation. Quadrupling of aid to LDCs today will represent only 5% of the defense expenditure of the world. But this quadrupling is envisaged in 10 years from now through a gradual process. LDCs today receive less than 17% of ODA a redirection of resources is urgently called for. Provision of 30% ODA to LDCs will mean an aid level of only 0.2% of the GDP of the rich countries.

The other important area of international action is improvement in aid modalities. Aid must be provided in a manner that will permit its effective and rapid utilisation. As early as 1977 LDCs and donors agreed on more flexible aid modalities. The need for debt relief, enhanced commodity aid, balance of payments support sector assistance, local and recurrent cost financing, coverage of cost overrun in an inflationary world and provision of united assistance have been recognised time and again. Reduction of delay between pledge, commitment, effectivity and utilisation of aid has been a matter of endless declaration. The transfer of responsibility for retailing aid in the context of agreed development objectives and priorities to the recipients has also been talked about. In this UN Conference we should not only agree on flexible and pragmatic aid modalities but undertake to follow such procedures and modalities. Mr President, I can illustrate from the experience of my country how both resource flow as also the modality of aid flow are equally important. We have drawn up a medium term food production plan to achieve self-sufficiency in foodgrains production by 1985. In the first year we have achieved reasonable success by attaining a 12% increase in food production. But our programme is facing serious problems. We do not have sufficient resource flow to finance the irrigation, storage or transportation projects. Also where resources are available, restrictions such as in local cost financing stands in the way. Further insufficient commodity assistance specially in the wake of reduction in food [word illegible] has created a problem of shortage of counterpart funds when they are needed for utilising more of project aid as well as for procuring more of food grains domestically.



In the third instance the LDCs must be supported with technical assistance of all kinds which must, however, be appropriate. Some of us are in need of strengthening our planning process and all of us need project preparatory assistance. We need to develop expertise in both technical and management skills. We also need to adapt technology and ensure that it is appropriate to our conditions. While we need consultancy input, it is simultaneously important to develop indigenous consultancy services. Technical assistance must provide for transfer of expertise, adequate training of local staff and transfer of equipment needed for expert services or training. The philosophy of technical cooperation among developing countries and the objective of phasing out technical assistance in the long run must govern provision of liberal and increased technical assistance. It must be borne in mind that while provision of technical assistance by itself is important it can be unproductive if it is not accompanied by transfer of resources for investment.

Finally international support measures are needed in the area of trade. Trade has been a predominant engine of growth. It has to accompany massive aid programme. The LDCs are suppliers essentially of primary commodities. Their exportable surplus are small. The purchasing power of their exports has been continuously declining. These trends must be arrested. Price stabilisation programme for core commodities must be put in place under the Integrated Commodity Programme. The Common Fund and its Second Window must be made operational without further loss of time. Compensatory arrangements in the style of Stabex should be introduced for all LDCs. They should be provided preferential access to all markets on a sustained and assured basis. It is imperative that export promotion and investment for production of exportable surplus are carefully synchronised with a view to not only trade expansion but also export diversification. Trade concessions to the LDCs is one of the least costly measures that the international community can undertake and thereby provide a fillip to initiation of a process of structural change in these countries.

On all these measures, the goodwill of the world community is crucial. We have been encouraged by the Ottawa Declaration of concern for the poor countries. We also note the initiative of various donor nations such as France, Japan, Canada and Italy after the excellent performance of those who have or are about to reach the target of 0.7 per cent. We are also looking forward to the long term strategy of OPEC which is in a process of evolution now. Out of the global product of nearly \$11 trillion, 47.5 trillion is in the OECD countries, \$1.5 trillion in centrally Planned Europe and only \$0.5 trillion is in OPEC. It is needless to emphasise that the most important initiative must be taken by the industrialised market economies. It is worthwhile to remind that as members of the global fraternity, the centrally planned countries of Europe cannot shy away from responsibility. The age of political colonisation is virtually over, but the economic system under which we function warrants resource transfer through trade and aid as the only medium term solution to the problem of development in the third world.

We have noted in the past resolutions are passed in conferences but then they turn out to be mere platitudes. Let us not conclude this conference, whose attention is focused on a very specific and limited problem the problem of development of 7% of the poorest of the poor of the human race with resolutions devoid of substance and commitments of those who are in a fortunate

position to fulfil such commitment. The Action Programme containing outlines of action by both the LDCs and the international community is to be continuously evaluated, monitored and acted upon. A mechanism for follow-up action is not very difficult to establish. We have the experience of a few aid groups and this experience needs to be replicated and improved for more countries. The periodicity of the country reviews as also the matter of lead agency for individual countries can be left sufficiently flexible. It is expected that in organising and aid groups existing institutions, both multilateral and bilateral will take positive action and institutional proliferation will be avoided. We also need to establish a global system of review. The inter-governmental Committee of UNCTAD has done a great job in organising the country reviews for all 31 LDCs and it may be entrusted with the responsibility of period global review. It is very important that a global review takes place soon after this conference. Lack of follow-up mechanism have frustrated many hopes, the latest being the hopes generated by the immediate Action Programme. Let us not repeat this experience.

We have assembled here, Mr President after a process a preparation which has been intense without precedent. I have talked about the evolution of the Substantial New Programme of Action at some length earlier. The Preparatory Committee devoted a great deal of its time and efforts in getting this Programme ready. This was followed by a conference of the Ministers of African LDCs in Addis Ababa and one of the Ministers of ESCAP and ECWA regions in Bangkok. Both these assemblies have appealed for the success of Paris Conference. All the summit meetings of the recent past beginning with the Islamic summit followed by OAU Summit & ending with the Ottawa Summit of Industrialised Nations have recognised the pressing need for substantial action for alleviating the conditions of the poorest segment of the human community. Hence, the expectations are: indeed; very high. Such expectations emanate from a perception of global interdependence and the incongruity of the pattern of human existence that is to be found in the LDCs. Such expectations emanate from the belief that the problems of what President Mitterrand calls "the most destitute of the destitute" can be tackled by way of response to the challenge of under-development."

What indeed are these expectations? In their development effort the least developed countries seek in concrete form substantial assistance from the international community. President Mitterrand has underscored the need for "major financial funding." Secretary General Kurt Waldheim has asked for "significant enhancement" of external assistance. Now that objectives, strategies and priorities of development have been put in place for all the LDCs, the one overwhelming crucial requirement is the transfer of resources. And this precisely is the right time for a commitment to the country programmes of the LDCs. There could be no better forum than this for the concrete demonstration of the political will of the developed world to meet the resource requirement of the LDCs.

The timing of the conference could not be better. Coming as it does just before the Cancun Summit and the renewal of dialogue on Global Round of Negotiations



in the General Assembly, we just cannot afford not to succeed here. We cannot 'return to our respective homes bitter and disillusioned to tackle the problems of the hour alone.' Success in an area of least effort, and in a cause so genuine is compelling for the global community. Success in Paris has the great potential of breeding further success in Cancun and GRN. This is an opportunity the world cannot let go. The cost is so little and yet the consequences of failure are bound to be so overwhelmingly frustrating. I would conclude now by repeating your slogan, Mr President, "we must succeed."

CSO: 7209

CIVIL AVIATION MINISTER RECEIVES BOEING FROM KUWAIT

Dacca THE BANGLADESH TIMES in English 24 Sep 81 pp 1, 8

[Text] K. M. Obaidur Rahman, Minister for Civil Aviation and Tourism on Wednesday formally received a Boeing 707 aircraft as a gift from Kuwait and named it "City of Kuwait" to further cement the brotherly relation between Bangladesh and Kuwait.

Ambassador of Kuwait to Bangladesh, Mr Saleh Mohammad Al Saleh handed over the aircraft and relevant document to the Minister for Civil Aviation and Tourism at a brief ceremony at Zia International Airport on Wednesday morning.

With this aircraft Biman's fleet of Boeing 707 aircraft rose to five. This would also help Biman maintain its flight regularity on international routes. The Kuwait Airways Boeing 707, now belong to Biman was registered in 1975.

Mr Obaidur Rahman said that this gesture of Kuwait would further strengthen the already existing strong brotherly relations between Bangladesh and Kuwait.

He expressed the hope that Kuwait would increase its help and assistance for the economic development of Bangladesh.

Speaking on the occasion, Kuwait Ambassador in Dacca Mr Saleh Mohammad Al-Saleh said that by handing over the Boeing 707 to Bangladesh Biman, we have honoured the pledge made by Sheikh Jaber Al-Ahmed Al-Sabah, the Amir of Kuwait to the late President Ziaur Rahman when they met in Kuwait earlier."

CSO: 4220/7219

PAPER REPORTS AIR FORCE DAY CELEBRATIONS

Dacca THE BANGLADESH TIMES in English 29 Sep 81 pp 1, 8

[Text] Bangladesh Air Force on Monday observed "Air Force Day" at all the bases, units and establishments, reports BSS.

The day's programme began with the hoisting of National Flag followed by ceremonial parade, fly past, reunion of the retired Air Force personnel, Preeti Bhoj, distribution of sweets and fruits among ailing BAF personnel in different hospitals, illumination and cultural functions in the evening, says a ISPR Press Release.

The Acting President, Mr Justice Abdus Sattar, attended as the chief guest at the Air Force Day commemorative reception hosted by the Chief of the Air Staff on behalf of the all BAF officers at the local Officers Mess the reception was attended among others, by the Cabinet Ministers, Members of Parliament, members of the diplomatic missions and high ranking civil and military officials.

The main ceremonial parade of the day was held at the parade ground of the BAF Base Bashar, Dacca.

Air Commodore Sultan Mahmud, BU, Chief of the Air Staff reviewed the parade and took the salute.

Addressing the BAF personnel on the occasion, the Chief of the Air Staff observed that organisational integrity, dedication and faith in the Almighty constituted the motivating force of the BAF's endeavours.

He noted with satisfaction that the Bangladesh Air Force had been carrying out its responsibilities in close coordination with the Army and the Navy. This was a proof of high morale, professional skill and mutual cooperation and amity, he added.

The Chief of the Air Staff paid glowing tributes to the Shaheeds who had laid down their lives to uphold the ideals of the Bangladesh Air force.

Later, the Chief of the Air Staff visited the BAF Base, Chittagong and the BAF Base, Matiur Rahman, Jessore to attend reunion of the retired Air Force personnel where he informally talked to them and enquired about their welfare. The

Air Chief also distributed special commendation certificates among the BAF personnel for their outstanding performance, sincerity and devotion to duty.

Ceremonial parades were also held at the BAF Base, Chittagong and the BAF Base, Matiur Rahman, Jessore, where the respective Base Commanders reviewed the parades, the Press release said.

CSO: 4220/7223

FINANCE MINISTER NOTES IMPROVEMENT IN ECONOMY

Dacca THE BANGLADESH OBSERVER in English 18 Sep 81 p 1

[Text] Finance Minister Saifur Rahman said in Dacca on Thursday that the economy of the country was improving as the production both in public and private sectors continued to increase steadily, reports BSS.

He said although the production figure was not up to the expectation, it helped ease pressure on the economy and improve the overall situation.

Addressing the business community, leaders of trade and industry in the private sector, Mr Rahman said the economy of Bangladesh had to be analysed in the total context of economy as a whole which is seized with uncertainties and fluctuations of prices of commodities. He said while speaking about the economy we should also take into consideration the income population and resources of the country and other important factors that constitute and contribute to the making of economy.

Metropolitan Chamber of Commerce and Industry Organised the function in city on Thursday afternoon.

Minister of State for Commerce Chowdhury Tanbir Ahmed Siddiky and President of MCCI Mr M. Morshed Khan also spoke on the occasion. Besides members of business community and trade circle, Governor of Bangladesh Bank head of financial institutions and high officials of Finance and Commerce Ministry attended the meeting.

Refuting the charge that the economy was passing through a crisis the Finance Minister said "we are in a relatively good condition" when not a single country was out of crisis.

Referring to the alleged high rate of inflation, the Minister replied it was not true and strongly maintained that the inflation rate in the country was "relatively satisfactory."

On the observation of Mr Morshed Khan relating to imminent devaluation the Minister said the "question does not arise at all." He said since our Taka was tagged with a basket of currency, any fluctuation in the exchange would compel us to make periodic adjustment of our currency.

The Minister said that economic situation of the country would improve further as the public and private concerns engaged themselves more vigorously and actively for increasing the production.

Admitting that the country was facing numerous problems Mr Rahman sought the cooperation of business community to tackle those. He assured the business community that cash foreign exchange would soon be made available to them to open license for import of industrial raw materials on priority basis.

Defending the policy of credit squeeze the Finance Minister said that this trend had produced adverse effect in the economy and compelled us to take "un-kind measures. He stressed "we want growth that must be coupled with stability."

Speaking on the occasion, State Minister for Commerce Tanbir Ahmed Siddiqui said the Government was making relentless efforts to revitalise the economy and overcome the "temporary ills of the economy. He said since Bangladesh was not immune from the impact of international economic recession and other effects, the only way to keep our economy viable was to increase production in all sectors and boost exports earning.

Earlier in his address of welcome, Mr Morshed Khan urged the Government to take the trade and industry into confidence and demanded that policy measures be indicated by which the economic crisis could be tackled. He called upon the Government to do away with what he called ad hoc measures on economic matters and maintained that there was no justification to keep the productive sectors under the Government control.

Mr Rashed Ahmed Vice President of MCCI gave vote of thanks.

CSO: 4220/7208



## DACCA ENCOURAGES INVESTMENT IN PRIVATE SECTOR

Dacca THE BANGLADESH TIMES in English 19 Sep 81 p 1

[Text] Deputy Prime Minister Mr Jamaluddin Ahmed on Friday called for participation of private sector in a bigger way along with the Government efforts for the overall development of the country, reports BSS.

Addressing the members of the Metropolitan Chamber of Commerce and Industries, the Deputy Prime Minister said that the Government was determined to continue its present economic policy which guaranteed the right position of the private sector.

He praised the performance of the private sector during the last five and a half years and said investment in the private sector had increased to over Taka 200 crore when it was only Taka 10 crore in 1975-76.

Mr Jamaluddin Ahmed, who is in charge of the Ministry of Industries pointed out that as incentive the Government had left 159 types of industries open for the private sector in the Second Five Year Plan.

He said that the present Government had been pursuing a policy of setting up industries in less developed areas of the country, keeping this in view. He added the Government had sanctioned a large number of industries worth crores of Taka in the priority areas previously. The industries were localised in the cities like Dacca, Chittagong and Khulna, he added.

The Deputy Prime Minister said that the present Government had already invested crores of taka for the development of cottage industries in the rural areas. "We do not want to belittle the private sector, rather we want to develop it because the present Government has given the private sector the opportunity to come up," he added.

### Foreign Investors

Refuting the allegation that Bangladesh was a high risk area for investment, Mr Jamaluddin Ahmed said that the industrial delegation which had visited different countries had seen how the foreign investors were interested to make investment in our country.

He said, that the current credit squeeze was a temporary phenomenon and added that it would be reviewed soon. He pointed out that the Government would not have to take this measures, if the creditors would have behaved properly.

## Money Market

Mr Jamaluddin Ahmed said that the current expansion in the country's money market was due to delay in the repayment of loans, purchase of over 13 lakh tons of foodgrains from local market at a cost of Taka 400 crore and huge development expenditures in the public sector.

He said that purchase of food grains was necessary in view of considerable increase in the production of foodgrains in the country. It was also done to provide incentives to the farmers for achieving self-reliance in agricultural production, he added.

## Morshed Khan

Earlier, welcoming the Deputy Prime Minister, Mr M. Morshed Khan, President of the Metropolitan Chamber of Commerce and Industries, praised the Government for its impressive record in generating investment activities in the country since 1976. But, he pointed out, that the Government had failed to fully restore the confidence of the investors.

CSO: 4220/7210

# BETTER RELATIONS WITH INDIA MAY BE IN OFFING

Kuala Lumpur BUSINESS TIMES in English 29 Sep 81 p 6

[Article by Bernard Melunsky in Dacca]

[Text]

BANGLADESH appears cautiously hopeful about moves towards solving some of the nagging problems that have bedevilled relations with its giant neighbour India.

Although India played an important role in helping the emergence of an independent Bangladesh out of the former East Pakistan in 1971, relations later fluctuated and reached a low point last May over a disputed island in the Bay of Bengal.

Foreign Ministers of the two countries agreed in New Delhi this month to take steps to resolve major outstanding problems. These include the island controversy and long-standing problems over the flow of Ganges River water into Bangladesh.

"We have reversed the trend from confrontation towards negotiation," said Foreign Secretary H.R. Chowdhury in an interview here. But he cautioned that nothing had yet been solved.

Both countries had agreed to discuss solutions, "but the proof of the pudding is in the eating," he said.

Relations with India, the dominant power in the sub-continent, are of more than routine importance to Bangladesh. But many people here view New Delhi with extreme wariness, even suspicion.

India sent its army in to help Bangladesh win independence from Pakistan 10 years ago and the

first Bangladesh President, Sheikh Mujibur Rahman, made friendship with India a "cardinal principle" of foreign policy.

But since his assassination in 1975, Dacca has moved away from the former tilt towards New Delhi and Moscow. It has improved relations with China and the United States as well as playing a much bigger role in Islamic affairs.

While Dacca stresses that its objectives remain close and good neighbourly relations with India and its other neighbours, unofficial sources often speak frankly about their fears concerning India.

These include basic political distrust of the moves of a "big brother" on its borders, Muslim suspicion of a predominantly Hindu neighbour and memories of India's close identification with the Awami League government of Sheikh Mujib.

Political analysts here believe that one of the major problems facing the Awami League — now in opposition — as it tries to regain power in elections is the lingering public belief that its stance is pro-India. The league will participate in presidential elections on Nov. 15.

Within the army, too, there is apparently a depth of feeling about India, characterised by a firm determination to be prepared although not hostile.

"Of course, we have to live with India," said one young junior officer after expounding on what he considered possible Indian "expansionism."

He added: "India is like Mount Everest. It is there and it is big and you cannot make it go away."

Using a different metaphor, Foreign Secretary Chowdhury said: "Naturally, as a small country next to an elephant, we have to be sensitive to the way the elephant turns."

He said Bangladesh had never deflected from its objective of having close and good relations with India and other neighbours.

Foreign Secretaries of the two countries are due to meet shortly to examine all available data on the disputed Bay of Bengal island, known to India as New Moore Island and to Bangladesh as South Talpatty Island.

Mr Chowdhury said he hoped the two countries would be able to come to a peaceful and negotiated solution over the island in the estuary of the river border between them.

The dispute on ownership brought relations to a low point last May with Bangladesh objecting to the presence of an Indian ship and personnel in the area and India claiming that Bangladesh sent gunboats to the area.

Mr Chowdhury said the boats were surveillance craft.

The incident occurred shortly after the return to Bangladesh from residence in India of the late President Mujib's daughter, Mrs Hasina Wazed, who had been elected Awami League president.

Her return, five years after her father and a number of other family members were gunned down, stirred considerable passion here

both for and against the opposition party and aroused anti-Indian feelings.

But both Mrs Hasina's return and the island dispute sank into the background when the country was rocked at the end of May by the assassination of President Ziaur Rahman.

The killing started an abortive coup attempt by rebel army officers. Apparently as part of their efforts to win popular support, they broadcast they would abrogate an Indo-Bangladesh friendship agreement.

As the country gears up for the forthcoming election, attitudes towards India remain a matter for debate. Awami League spokesmen allege the government has made no progress in reaching comprehensive solutions to problems with India and has allowed relations to deteriorate. — Reuter

## BANGLADESH

### PREMIER MEETS PRESS ON DEPARTURE FOR MELBOURNE

Dacca THE BANGLADESH OBSERVER in English 28 Sep 81 pp 1, 12

[Text] Prime Minister Shah Azizur Rahman left Dacca Sunday evening for Melbourne to attend the Commonwealth summit meeting beginning there on Wednesday reports RSS.

The Prime Minister, told a Press conference at Zia International Airport before his departure that the summit would provide a "valuable opportunity" to strengthen and consolidate Bangladesh's relations with other Commonwealth countries.

The Melbourne summit the Prime Minister said is particularly important as it would be taking place at a time when global peace and stability have become more tenuous as a consequence of a number of major political developments having extra territorial significance.

The Prime Minister, in this regard, mentioned the developments in the Middle East, Afghanistan, Kampuchea, Cyprus South Africa and particularly Namibia and the continued Iraq-Iran conflict and the Indian Ocean question.

Shah Aziz said that all these would come up for discussion at the summit.

The Commonwealth conference will be important on the economic front Shah Aziz said as it is taking place after the UN conference on the Least Developed Countries in Paris and before the Cancun (Mexico) mini summit.

The Prime Minister said that the Commonwealth conference was likely to put forward constructive suggestions to influence the deliberations of the forthcoming Cancun mini summit on North-South issues.

Bangladesh, he said, strongly feels that a united Commonwealth approach can contribute to the success of Cancun mini summit.

The Prime Minister said that as a Least Developed Country Bangladesh would refer to the widening gap between the rich and the poor countries and the threat posed to global security.

He said that the last two Commonwealth summits held in London and Lusaka had endorsed Bangladesh's proposal for the creation of a global food security system.

In that context, he said, the recommendations of the Commonwealth Food and Agriculture Ministers conference are bound to receive special attention at the Melbourne summit.

Among political issues, he said the Bangladesh delegation would reiterate its firm position on various international issues including the Middle East, Afghanistan Kampuchea Iran-Iraq conflict and the Indian Ocean.

The Prime Minister said that Bangladesh had always taken an active part in all the Commonwealth activities and added it was represented at the highest level at the four last Commonwealth summits as well as the two regional summits.

He said that the high-level participation led by him at the Melbourne summit "following this tradition will once again demonstrate Bangladesh's interest in the affairs of the Commonwealth."

The Melbourne summit he said will provide a valuable opportunity to strengthen and consolidate Bangladesh's relations with other Commonwealth nations through high level contacts.

The Prime Minister said that his delegation would also recall the "very notable" contributions of the late President Ziaur Rahman to various summits.

At the commonwealth summit he said Bangladesh would ask for an expansion of the Commonwealth youth programme and would emphasise that the Commonwealth Fund for Technical Cooperation (CFTC) should assign a high priority for sustaining and strengthening ' ' programme.

He said that his delegation would also follow up the previous Bangladesh proposal for expansion of the CFTC for increased cooperation among the Commonwealth countries.

The Bangladesh delegation, Shah Aziz said, would highlight the initiative of the late President Ziaur Rahman for evolving a form for regional cooperation among seven South Asian countries.

He said that the Foreign Secretaries of the South Asian countries had already held a round of talks at Colombo and would hold another round in Kathmandu soon. He said that the proposal for regional cooperation was taking a concrete shape.

The Prime Minister said that the response, so far, to the late President Zia's proposal had been very warm.

The Prime Minister said that he would meet the heads of government of other Commonwealth nations at Melbourne for bilateral and multilateral talks.

Replying to a question about Pakistan's re-entry into the Commonwealth Shah Aziz said that the different delegations at the conference would meet and discuss the issue.

He said that any country seeking membership would be welcome provided it fulfilled the requirements.

Shah Aziz said that in Melbourne he would also meet the Bangladeshi nationals living there.

He would return home on October 4.

Foreign Minister Prof. M. Shamsul Huq will join the Prime Minister's entourage from New York where he is attending the 36th UN General Assembly session.

State Minister Mr Jamiruddin Sircar Foreign Secretary Mr Huanyun Rashid Chowdhury, Australian High Commissioner, Mr M.G. Williams, British High Commissioner, Sir Michael Scott, Canadian High Commissioner, Mr Arthur Robert Wright, Malaysian High Commissioner, Mr Haron and Thai Ambassador Mr Thawee Manas Chuang were among those who saw the Prime Minister off at the airport.

CSO: 4270/7221



SPOKESMAN TELLS BIMAN AIRCRAFT NEEDS

Dacca THE BANGLADESH OBSERVER in English 29 Sep 81 pp 1, 12

[Text] A new F-28 aircraft of Biman Bangladesh airlines, arrived in Dacca Monday afternoon from Amsterdam, reports BSS.

The Managing Director of the Bangladesh Biman Mr Manzurul Karim & senior official were at the airport to receive the new craft.

A few senior officials of the Fokker Company and Dutch crew also came with the aircraft.

A Biman source said, the jet engined short ranged F-28 having 85 passenger capacity will fly on her maiden journey to Chittagong from the Zia International Airport on September 30.

The new aircraft one of the two procured by Biman, will be put on service on Dacca-Sylhet, Dacca-Chittagong and on regional routes connecting Kathmandu and Calcutta.

Wide-Bodied Aircraft

Another message adds: The national flag carrier Bangladesh Biman will procure wide-bodied aircraft at the earliest keeping in view the interest of the airlines and the country as well, a spokesman of the Ministry of Civil Aviation and Tourism said in Dacca on Monday.

When his attention was drawn to the reported views of the Bangladesh airlines pilots association that introduction of wide-bodied aircraft would endanger the airlines very existence the spokesman negated the view and said that the airlines existence would be in jeopardy if it did not go for wide-bodied aircraft at this stage.

The spokesman said that when the question of procuring wide-bodied aircraft was examined and recommendations made, the pilots were strongly in its favour particularly in 747 type aircraft. He said that the decision, however, was made not merely in the basis of the views of the pilots but the Government also considered the factors like availability of various types of wide-bodied aircraft, arrangements of funds and market research.

Elaborating the need for introducing wide-bodied aircraft by Bangladesh Biman, the spokesman pointed out that among foreign airlines operating to and from Bangladesh, one has already introduced wide-bodied aircraft in April last. Its adverse effect on Biman's traffic on the same route is visible, he noted.

The spokesman said that another airline which had been occasionally operating widebodied aircraft to Dacca will introduce same type of aircraft from November one next in Bangkok route. He further said that yet another airlines will introduce wide-bodied from Middle East point to Dacca from November one.

The spokesman pointed out that the introduction of wide-bodied aircraft by competitive foreign carriers on Biman's high density routes to Europe, Middleeast and Bangkok would have 'dangerous effect' on the marketing of national carrier unless Biman adopts measures to offset the impending adverse effect.

CSO: 4220/7222

## PRIME MINISTER CALLS FOR WORLD MUSLIM ORDER

Dacca THE BANGLADESH OBSERVER in English 24 Sep 81 p 1

[Text] Prime Minister Shah Azizur Rahman on Wednesday called for creation of a new world Muslim order through the unity of all the Islamic countries for their common interests reports BSS.

He said that 42 Islamic countries could solve their problems if they set up a new world Muslim order like the Third World.

The Prime Minister was speaking at a function organised by the Bangladesh-Saudi Arabia Friendship Society on the occasion of National Day of Saudi Arabia at the Supreme Court Bar auditorium.

Presided over by Mr Mujibur Rahman President of the Society the function was addressed by Home Minister Mr Mustafizur Rahman Saudi Ambassador in Dacca Sheikh Fouad Abdul Hamed Al Khatib. Mr Justice Abdur Rahman Chowdhury and Mr S. Ayen-uddin Secretary of the Society.

Describing Saudi Arabia as the "symbol of Muslim unity" Shah Aziz said that the poor Muslim countries had a legitimate claim on the resources of Saudi Arabia because "we belong to millat-e-waheda."

The Prime Minister expressed the hope that King Khaled of Saudi Arabia would play a pioneering role in creating a new world Muslim order comprising all Muslim countries. In this context, Shah Aziz pointed out that the late President Zia had always favoured creation of such an organisation for the economic emancipation of the poor Muslim countries.

He said as the protector of the holiest of the holy shrines of Islam 'ba Sharif-and the birth place of Prophet Hazrat Muhammad Mustafa (peace upon him) Saudi Arabia remains as the most holy place and supreme leader of the Muslims the world over.

He called upon the Muslim countries to unitedly fight to free the occupied Arab lands from the forces of Zionism.

Shah Aziz recalled with gratitude the Saudi contribution towards different development projects in Bangladesh.

Speaking on the occasion Home Minister Mr Mustafizur Rahman said "for reasons of faith, culture and tradition, Bangladeshis like Muslims in other countries have always felt a deep attachment to Saudi Arabia. It springs from their love of the Holy Quran and the Holy Prophet.

The Home Minister said the National Day of Saudi Arabia is a day of rejoicing not only for Saudi Arabian nation but also for their Muslim brethren everywhere, particularly those living in the Muslim countries.

Mr Rahman said that it was a matter of pride that a large number of Bangladeshis were participating in the development activities in Saudi Arabia as experts, engineers, doctors, educators, and technicians.

He expressed his profound satisfaction over Saudi Arabia's generous assistance towards various economic development projects in Bangladesh.

CSO: 4220/7218

## SATTAR PLEDGES TO STRENGTHEN LOCAL BODIES

Dacca THE BANGLADESH OBSERVER in English 24 Sep 81 p 1

[Text] Chittagong Sept 23--Acting President Mr Justice Abdus Sattar reiterated his pledge to strengthen the Swanirvar Gram Sarkar and other local bodies for unhindered and rapid development of rural areas.

He said that dissolution of these local institutions would mean "betrayal to the country and dishonour to late President Zia who visualized all these."

The Acting President was addressing a conference of Swanirvar Gram Sarkar Prodhans Chairman of Union Parishads Thana Development Committees, Thana Central Cooperative Associations Conveners of Thana Juba Complex and representatives of Mahila Cooperative Associations of Chittagong Division at Muslim Institute today. The conference was also addressed among others by Deputy Prime Minister Mr Jamaluddin Ahmed, Minister Mr Abdul Halim Chowdhury, Deputy Minister Mrs Quamrunnagar Jafar, Union Parishad Chairman Mr Razlur Rahman Gram Sarkar Proddhan Mr Abdul Latif, Juba Complex Convener Mr Atahar Iqbal and Mahila representative Mrs Ashrafuzzaman.

Mr Justice Abdus Sattar urged the members of local bodies to take solemn pledge to lead the activities of these bodies to success and thus make the ideals of late President materialise.

The Acting President said that these local bodies would be strengthened and vested with more powers and authority phase by phase following the ideals of late President Ziaur Rahman if they could prove their effectiveness in exercising the powers already vested upon them.

Acting President Abdus Sattar called upon the members of local bodies to strengthen the Village Defence Party for curbing anti-social activities and ensuring law and order in the villages.

Referring to the achievements of local bodies, the Acting President said that the pace of development in rural areas have greatly accelerated with the introduction of these bodies. In this connection, he mentioned about the success of cooperative movement in villages and said that some village cooperative banks have even deposit of over Taka one lakh.

Justice Sattar also lauded the local bodies for making the family planning program a success by encouraging and inducing the people to accept birth control device.

The Acting President hoped that each and every village of the country would make all out effort to accelerate the pace of development for achieving self sufficiency. He said that first and foremost job of villagers are to double the food production and to intensify the family planning drive, he added.

Paying rich tributes to late President Zia, Justice Sattar said that he (late President) trudged miles after miles in villages to come closer to the people. Because he said, the late President loved villages and villagers.

The Acting President said that Opposition parties ridiculed late President Zia for his participation in canal digging in villages. But all his works were aimed at ameliorating the common masses and developing the country, he added.

Mr Justice Abdus Sattar said that late President introduced democracy and gave sovereign Parliament. The sacred task of all of us is to safeguard this democracy, he added.

Justice Sattar said that late President Zia brought democracy in all strata of national life. The examples are the election of Union Parishad Chairman and Gram Prodhans by direct vote of people, he added.

The conference was also attended by State Ministers, Mr L.K. Siddique, Mr Aung Shu Pru and Mr Mohammad Ismail and members of Parliament.

CSO: 4220/7218



PAPER REPORTS REACTION TO CHITTAGONG EXECUTIONS

Demonstrations in Dacca

Dacca THE BANGLADESH TIMES in English 24 Sep 81 pp 1, 8

[Text] At least 15 government owned vehicles were either burnt or damaged on Wednesday by unruly mobs during the day-long sporadic violence in the capital to protest execution of 12 army officers involved in Chittagong mutiny and assassination of President Ziaur Rahman.

Of the six burnt vehicles, one belonged to a cabinet minister. The minister's car was set on fire by violent youngsters at the intersection of Topkhana road.

The members of the family of the minister, who is now abroad, managed to come out of the car when it was attacked. They later took shelter in a nearby restaurant.

Police Control Room said that 79 arrests were made so far from the troubled spots in the city.

The police also fired several rounds of tear gas shells to disperse the rampaging crowd.

Earlier, 12 student organisations and three organisations of the freedom fighters held a rally at Baitul Mukarram Square in protest against the execution of 12 army officers.

The violence erupted following the protest rally.

Some people wielding sticks rushed from the meeting to intercept a BRTC bus which was passing along the road near the GPO corner along with other vehicles. The mob forced the passengers out and smashed its windows. When they were trying to set it on fire police prevented them. A clash followed thereafter. Police using tear gas and mob throwing stones fought for some time.

Meanwhile, a group of people from the Baitul Mukarram rally spilled on the road near the House Building Finance Corporation. They stoned a car belonging to the DG, Islamic Foundation and a car belonging to the Minister for Labour Reazuddin Ahmed who was now abroad. Both the vehicles were set on fire. Members of the ministers family managed to take shelter in a nearby restaurant.

Another BRTC bus also fell at the hand of the mob near the Topkhana Police Box. But they failed to set it on fire. A police jeep was also stoned here. At the same time an office of the Ramna Thana Jatiyatabadi Jubo Dal near the Press Club was also set on fire.

Some time later one more car and a government jeep were set on fire near the Curzon Hall. The mob also got hold of car belonging to Mr Abdur Rashid, General Manager of the Bengal Glass Industries near TSC. Mr Rashid and his driver were manhandled and the car was burnt. Two government jeeps were also burnt here. One of the jeep was set on fire at 7:45 p.m.

Two minibuses were burnt at New Market crossing and near the Hawkers' Market at Elephant Road. A government jeep was also set on fire near New Market. A car was also burnt near the Nilkhet crossing. A land rover was put on fire at New Elephant Road and as violence spread from Baitul Mukarram square area to these places shops were closed and police diverted the traffic.

The roads in these areas were empty by 8 p.m.

Earlier, Major (Retd) Ziauddin, Mr Abul Hasib Khan, President of Chhatra League (Muhmir-Hasib) and Mr Asadullah Tarek, General Secretary of the Chhatra Samity had addressed the Baitul Mukarram rally condemning the hanging of the 12-army officers.

When the meeting was half way through a section of youths pelted stones at a public bus near the Gulistan Cinema hall. The police fired tear gas shells to disperse the attackers, when the police chased the unruly mob they came running towards Baitul Mukarram. Some of the tear gas shells fired by the police fell in and around the meeting venue.

In the melee following the firing of tear gas shell the meeting abruptly came to an end. After the meeting the crowd spread to different directions while some started pelting stones on the police. During the pitched battle with the police the shops and business organisations at Baitul Mukarram and its surrounding places closed their shutters.

According to a Press release issued by Mr Abul Hasib Khan later the meeting in a resolution declared strikes in all the educational institutions of Dacca city. A rally at the Battala of the Arts Faculty of the Dacca University will be held at 10 a.m. today (Thursday). Besides it also announced a programme for hoisting of black flags and wearing of black badges throughout the country on September 26. Demonstrations would take place all over the country and a rally would also be held at Baitul Mukarram square in Dacca.

The press release also said that police without any provocation lathi charged and fired tear gas shells at the meeting, which resulted in injury of a number of persons. It also said that some students and persons were arrested by police from the meeting place.

Earlier in the morning three BRTC buses were stoned in the University area. Small processions of different student groups paraded the campus and city streets. Small processions were also brought out in the night.

## Muktijoddha Sangsad

The Central Command Council of Bangladesh Muktijoddha Sangsad has directed all its units to fly the flag of the organisation at half mast and hoist black flags for 12-day to pay homage to the "twelve freedom fighter army officers who were hanged." According to a Press release issued on Wednesday.

BSS adds: A hand grenade exploded at the gate of the "DAINIK DESH" office in Purana Paltan shortly before midnight on Wednesday.

The grenade exploded with a big banging sound but no one was injured, according to DAINIK DESH sources.

The sources said that three young men riding in two motor cycles hurled the grenade wrapped in a paper and speeded away instantly.

## Ten-Party Statement

Dacca THE BANGLADESH TIMES in English 24 Sep 81 pp 1, 8

[Text] The leaders of the ten-party alliance condemned what they termed provocations with ulterior motives by the Government in suppressing the "spontaneous" protests of the people against the execution of the 12 army officers sentenced to death on charges of mutiny and killing of President Ziaur Rahman.

In a statement on late Wednesday night the 10-party leaders said that despite our repeated appeals the Government went ahead with execution of the death sentence. Now they charged that the Government had engaged itself in suppressing the people's protest against it.

They accused the Government of provocations to disrupt the meeting at Baiful Mukarram square called by three organisations of the freedom fighters on the day with lathi-charges and tear gas. They also appealed to the people to participate in the protest in an orderly manner, ignoring government provocations.

The statement was signed by Mr Abdur Razzak, Major Sheikh Hasina Wazed, and (Retd) M.A. Jalil, Messrs A.S. M. Abdur Rab, Mizanur Rahman Choudhury, Nur-e-Alam Siddiky, Moni Singh, Mohammed Farhad, Prof Muzaffar Ahmed, Pir Habibur Rahman, Choudhury Harunur Rashid, Pankaj Bhattacharya Syed Altaf Hossain, Sardar Abdul Halim, Rashed Khan Menon Siddikur Rahman and Abdur Rashid Tarkabagish.

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GOVERNMENT BANS MANUFACTURE OF EXPLOSIVES

Dacca THE BANGLADESH OBSERVER in English 17 Sep 81 pp 1, 12

[Text] The Government has absolutely prohibited with immediate effect manufacture possession, use sale transport and importation of explosives by any person under the Explosives Act, 1884, says a PID handout issued on Wednesday.

A notification issued by the Ministry of Home Affairs says that the prohibition has been ordered in the interest of public safety and shall remain in force for a period of three months.

Under the Explosives Act, explosives include fog-signals, fire works, fuses, rockets, percussion-caps, detonators, cartridges, ammunition of all description, and every adaptation or preparation of an explosive as defined under the Act.

Contravention of this prohibitory order as well as the provisions of the Explosives Substance Act 1908 (Act VI of 1908) in any manner shall render the violator punishable under the law with fine or imprisonment or with both. Under the provisions of the Explosive Substances Act, 1908 as adapted in Bangladesh any person who unlawfully and maliciously causes by any (explosive substance) an explosion of a nature likely to endanger life or to cause serious injury to property shall whether any injury to person or property has been actually caused or not be punished with transportation for life or any shorter term to which fine may be added or with imprisonment for a term which may extend to ten years, to which fine may be added.

Any person who unlawfully and maliciously--(a) does any act with intent to cause by an explosive substance or conspires to cause by an explosive substance an explosion in the country of a nature likely to endanger life or to cause serious injury to property; or (b) makes or has in his possession or under his control any explosive substance with intent by means thereof to endanger life or cause serious injury to property in the country or to enable any other person by means thereof to endanger life or cause serious injury to property in the country; shall, whether any explosion does or does not take place and whether any injury to person or property has been actually caused or not, be punished with transportation for a term which may extend to 20 years to which fine may be added or with imprisonment for a term which may extend to seven years to which fine may be added.

Any person who makes or knowingly has in his possession or under his control any explosive substance, under such circumstances as to give rise to a

reasonable suspicion that he is not making it or does not have it in his possession or under his control for a lawful object, shall unless he can show that he made it or had it in his possession or under his control for lawful object be punishable with transportation for a term which may extend to 14 years, to which fine may be added or with imprisonment for a term which may extend to five years to which fine may be added.

CSO: 4220/7206

## BANGLADESH

### DETAILS OF SOVIET AID AGREEMENT GIVEN

Dacca THE BANGLADESH OBSERVER in English 17 Sep 81 p 1

[Text] The Power Development Board (PDB) will receive a 210 megawatt power station with design and technical assistance worth 735 million dollars under two agreements signed on Wednesday with Techno Prom Export (TPE) of USSR reports BSS.

Under the first agreement the TPE will supply a natural gas fired 210 megawatt thermal power station with design at a cost of 72.2 million dollars for Ghorasal Power House.

The project is scheduled to be completed by 1984.

Under the agreement terms the TPE will provide a soft term loan with three per cent annual interest to finance the entire amount which would be repaid in ten years in twenty equal instalments beginning December 1984 in accordance with Bangladesh-Soviet trade agreement in force.

Under the agreement TPE will supply all equipment and materials necessary to complete the project.

Specialists and engineers of Power Development Board at additional local currency cost will take the responsibility of civil construction and erection works under the guidance of the Soviet specialists.

Under the second agreement the TPE will provide PDB technical assistance and depute supervisory specialists for completion of the project at an estimated foreign exchange cost of 1.3 million dollars.

Mr M. A. Mohsin Secretary of PDB and Mr N. A. Filchenkov Economic Affairs Counsel for Soviet Embassy in Dacca and Mr A. S. Belkin Deputy Director TPE signed the agreement on behalf of their sides.

CSO: 4220/7206



BIOGRAPHICAL INFORMATION ON NEW ENVOY TO NEPAL

Dacca THE BANGLADESH OBSERVER in English 22 Sep 81 p 12

[Text] Mr Harunur Rashid has relinquished the charge of his office as Deputy High Commissioner in Calcutta and arrived in Kathmandu to take over as Bangladesh's new Ambassador to Nepal according to an official source in Dacca on Monday.

Born on April 1, 1934 Mr Rashid obtained B.A. Honours and M.A. degrees in English literature from Dacca University in 1956 and 1957 respectively. He called to Lincoln's Inn as Barrister-at-Law in 1960 and served as a lecturer in Law at the University of Dacca from 1962 to 1966.

Mr Rashid attended a course on International Law in the Netherlands and a Post-Graduate Course on Diplomatic and International Law at the Fletcher School of Law and Diplomacy in the United States in 1969.

He joined the erstwhile Ministry of Foreign Affairs as Deputy Legal Adviser (Deputy Secretary) in July 1967. He was appointed Legal Adviser in the Ministry of Foreign Affairs in 1975 and Director General in the Ministry of Foreign Affairs in 1976. He was a member of numerous delegations including Presidential visits to South and South East Asian countries.

Prior to his new assignment he was serving as Deputy High Commissioner in Calcutta from August 1979.

He is married and has three children.

CSM: 4270/7215

# FOOD MINISTER SPEAKS AT OPENING OF WAREHOUSES

Dacca THE BANGLADESH OBSERVER in English 19 Sep 81 pp 1, 12

[T. It] Food Minister Mr Abdul Momen Khan on Friday said the Government plans to build up a food storage capacity of four million tons by the end of Second Five Year Plan, reports BSS.

The present capacity of food storage in the country is about 1.4 million tons, he added.

The Minister was speaking at a handing over ceremony of six food godowns at the Central Storage Depot at Tejgaon. The six are part of the 12 godowns constructed with the assistance of a Japanese grant. The other six have been built at Shantahar.

The ceremony was addressed by Food Secretary Mr A.M. Mesbahuddin, Japanese Ambassador in Bangladesh, Mr Hirohiko Otsuka, Mr Naoyuki Ito, President of Japan Engineering Consultants Co. Ltd. and Mr Yuzo Sakurai, Director of Shimizu Construction Co. Ltd. the firm which built the godowns, Deputy Minister for Food Mr Iqbal Hossain Chowdhury was also present on the occasion.

Japan has provided Bangladesh 4.15 billion Yen (about Taka 32 crore) to build 50 godowns with a capacity of one thousand ton each. The construction of the 50 godowns were completed in three phases which began in 1978. The Japanese Ambassador formally handed over the keys of the godowns to the Food Minister.

Food Minister said the Government had given top-most priority for building up sound food storage system in the country and with that end in view had mobilized domestic resources to build 500 units of godowns under a crash programme, of which 250 units have already been completed. Besides the crash programme, 180 more such godowns were also constructed during the last year, bringing the total number of storage units to 430 with a total storage capacity of 2.2 lakh tons. He thanked the donor countries for their assistance in building the food storage capacity.

Dwelling on the food situation the Minister said our food situation was never better than what it was today. He said the Government had decided to build a food stock of 18 lakh tons by the end of current financial year. He said the Government began the financial year with a stock of 12 lakh tons of foodgrains of which 10 lakh tons were internally procured.

The Minister said we expect to procure more than 11.5 lakh tons of foodgrains internally. The purpose of reserve is to ensure a steady supply of foodgrains at all times at a stable price, he added. He emphatically said that there should not be any repetition of the food crisis as in the past.

Mr Momen Khan said for proper storage of stock it has also been decided to increase storage capacity to 18 lakh tons from the current financial year. He said to avoid storage constraints, private godowns have also been hired to meet space requirements. The Minister called for Japan's further cooperation with Bangladesh in building a buffer stock of food and achieving the target in the construction of godowns.

The Food Secretary termed the occasion as an important event in the bilateral relations between the two countries. He said the food godowns would be permanent and evergrowing monument of friendship between Japan and Bangladesh.

Mr Hirohiko Otsuka assured of continued cooperation of Japan in developing agricultural infrastructure in Bangladesh.

DSN: 4220/7209

CENSUS SHOWS CHANGING PATTERN OF POPULATION

Dacca THE BANGLADESH TIMES in English 21 Sep 81 pp 5, 6

[Article by M. A. Sattar]

[Text] The first release from the 1981 Population Census came out within a period of less than four months of conducting the field enumeration. It was made public on June 27, 1981. At the present time, the most complete source of information on the population of Bangladesh and its administrative units is the National Population Census. The government and non-government officials and non-government officials and planners need current data to plan and evaluate their development programmes and projects. These data would be able to meet the requirements to a great extent.

In the prevailing communication problems and the circumstances of a cold responsive gesture, the Post Enumeration Check (PEC) has been completed and the preliminary results of the census have been made public within a short period of about four months. It suggests that the work on census taking was well planned and the census authority has carried it out efficiently.

The preliminary report on the 1981 census includes the following data:

1. Information on the total population by District, Subdivision, Thana, Statistical Metropolitan Area (SMA), Municipal Area.
2. Maps of four SMA.
3. Preliminary information on tribal population by Subdivision and Thana of Chittagong Hill Tracts District.
4. Floating population of protected forest area in Sundarban by age group and livelihood.
5. Population possessing a house by sex, age group and livelihood.
6. Number of Mouzas (rural area only) by District and number of household (Khana).
7. Number of Villages by District and number of household (Khana).

### Post Enumeration Check (PEC)

Within 15 days of census count an independent Post-Enumeration Survey was conducted for the purpose of checking the quality of coverage (estimation of the under-enumeration or overenumeration). Because of the mobility of the people, the fact that some people may not be at home on the census night, the fact that some families may have more than one residence, the low quality of the enumerators, the extended period required for the field enumeration, and other related factors the census takers usually face different problems in achieving accurate and complete enumeration.

The underenumeration has been a problem with the conduction of census in Bangladesh. The results of the PEC of 1981 census of Bangladesh recorded 3.32 per cent undercount (6 percent in urban and 3 percent in rural areas) as against the related figures of 7.30 percent in 1974 census (19 percent in urban and 6 percent in rural areas).

Undercounting, however, is also a problem of census conducting with other countries. It has been estimated that some five million people had been omitted from 1950 census of the United States and some twenty-five million might have been omitted from the 1951 census of India.

### Population Growth

The preliminary report on 1981 census shows that the total population of Bangladesh is now about 9 crore (87,052,024). The figure covers the area of Bangladesh excluding the enclaves. This report agrees well with the estimated report of 88,695 thousand population in 1981 of Bangladesh Bureau of Statistics. The reported increase of population between 1974 and 1981 gives the annual compound rate of growth of 2.36 per cent in the intervening period. The compound rate of annual growth was reported to be 2.52 per cent in the country in the intervening period of the censuses of 1961 and 1974.

It is rather interesting to note that as compared to the level of growth during the period of the sixties and early seventies the level of growth during the period of last seven years from 1974 to 1981 shows a downward trend. The growth trend is encouraging in the context of alarming population explosion situation in Bangladesh. It may be expected that the slogan for limiting the size of the family has been effective in motivating the eligible couples toward smaller family and in causing a slump in the alarming rate of population growth.

During the first decade of this century the annual growth rate of population of Bangladesh had been reported to be only 0.866 per cent but in fifties it increased to 1.93, that is, it took 60 years for nearly doubling the rate of growth of population. On the other hand it took only 13 years for enhancing the rate of growth from 1.93 per cent per annum to 2.52 per cent per annum to bring forth the most frightening problems that if this growth rate of population is allowed to continue a time would be coming very soon when there would be left no more land in Bangladesh for growing crops to feed us. Let us hope that the country-wide comprehensive family planning measures will be able to reduce the growth rate of population more effectively to get rid of the alarming situation.

## Sex Composition of Population

The preliminary report shows the total number of male population in the country as 44,849,973 and that of the female population as 42,202,051 yielding a sex ratio (males against 100 females) as 106 as 1981 as against 108 in 1974. The masculinity ratio dropped from 110 in 1951 to 107 in 1961. During the intercensal period of 1951 and 1961 the drop was 3 points but that drop during the intercensal period of 1974-1981 had been 2 points.

In most populations the males tend to be nearly equal to females with males outnumbering the females at the younger ages and females outnumbering the males at the older ages. In the existing socio-economic conditions of Bangladesh males apparently get better care than do females and as a consequence there exists a sex differential of greater mortality among females and on the whole males outnumber females. Moreover in our society females are considered to be a financial liability and as a result of comparative neglect in almost all spheres of life females are usually underenumerated to yield higher number of males than that of females.

The drop of sex ratio from 110 in 1951 to 106 in 1981 might be due to the changing status of women. In the context of present policy of the Government of Bangladesh in favour of upgrading the socioeconomic position of women it may be expected that there would be further drop in sex ratio.

## Population Size and Growth in the Administrative Units

The study of differential growth of population by the administrative unit provides an insight into the true nature of population distribution and growth in the country. Among the four administrative divisions in the country Dacca Division has the largest number of 26,249,000 population following by Chittagong (22,565,000) and Rajshahi (21,087,000) Divisions. Dacca Division has the largest annual growth rate (3.01 per cent) in the intercensal period of 1974-1981. During the intercensal period of 1961-1981 Rajshahi Division had however, the largest annual growth rate (2.92 per cent).

Among the twenty administrative districts in the country, Dacca District has the largest population with 10,049,000 followed by the districts of Comilla (6,880,000) and Mymensingh (6,543,000) in 1981 census count. The Chittagong Hill Tracts District has the least population with 7,46,026 but it is interesting to note that the annual growth rate of this district has been the highest (5.64 per cent) during the inter-censal period of 1974-1981, mainly due to immigrants from other districts.

There are 71 administrative subdivisions in the country. The preliminary report of 1981 census shows that Dacca Sadar Subdivision has the largest population with 4,069,763 followed by Chittagong Sadar North (2,990,849) and Tangail (2,223,339) subdivision.

All over the world the population is being concentrated rapidly in and around urban localities. A mass exodus of people from rural areas is being compressed into the urban and semi-urban areas in search of employment and food. As a consequence of rapid urban agglomerating rate primate city of the country and its suburban areas are swelling continuously with immigrants from rural areas at an alarming rate.



## Land-People Ratio

The reported ratio between people and land area (usually known as the density of population) by the preliminary record of 1981 census is 1,566 as against 1,286 in 1975. The most densely populated division is Dacca with 2,202 population per square mile followed by Rajshahi Division (1,619) and Khulna Division (1,315). Among the twenty administrative districts in the country Dacca District has been reported to be the highest density area (3,489) followed by Comilla (2,654) and Chittagong (1,966) Districts. Excluding the river area of the country the average density of population in 1981 census has been reported to be 1,675 as against 1,375 in 1974.

The per capita availability of land has been recorded as 0.38 acre in 1981 as against 0.47 acre in 1974. As a consequence of the increasing pressure of population growth on land the per capita land availability has been decreased to about 20 per cent during the inter-censal period of 1974-1981. As expected the per capita land availability in the Chittagong Hill Tracts District has been reported to be the highest (2.18 acre) while it has been shown to be the lowest in Dacca District (0.17 acre).

## Urban Agglomeration

In the preliminary report of 1981 census 9.39 per cent of the total population of Bangladesh has been recorded to be living in the urban areas (covering 79 municipality areas) as against 8.78 per cent in 1974. In 1961 census the level of urban agglomeration had been recorded as 5.79. The country is thus essentially rural with about 90 per cent of its population living in villages. The level of urbanization in Bangladesh is relatively low when compared with the level of urbanization in other countries (even neighbouring countries) with some exceptions such as Nepal.

The total population of 79 urban (Municipality) areas is 9,267,900 in 1981 as against 6,273,603 urban population in 1974 which shows that the urban population grew at the rate of about 7 per cent per annum. This indicates that the rate of growth of urbanization is exceedingly high though the level of urbanization is relatively low.

The intercensal change in urban population in Bangladesh was 137.6 per cent during 1961-1974 but this change has been reduced to 47.73 per cent during 1974-1981. Most probably the greater emphasis on the development activities in larger number of rural areas spread all over the country has changed (downward) the trend of the urbanization during the intercensal period 1974-1981. This implies that the push force to compel villagers for migrating to urban areas for employment and food may be resisted by making ample provisions of employment facilities for the villagers through development activities spread over thousands of villages in the country. Taking into account the population of thana headquarters outside the municipality location and other places possessing urban characteristics total urban population in Bangladesh may exceed 12 percent of the total population count of 1981 census.

In 1981 census each of 4 divisional headquarters has been regarded as Statistical Metropolitan Area (SMA). As expected Dacca is the largest SMA with 1,438,677 population including 73,788 floating persons. In Rajshahi SMA lowest

number of urban population--171,600 including 2,117 floating persons has been recorded. It may be noted that 'Kotwali' thana of Mymensingh has not been considered as SMA but it has more population (455,088) than Rajshahi SMA.

Each of Dacca SMA and Chittagong SMA has a population of more than one-million. Khulna is the only SMA with a population of more than 500,000 and less than a million. Excluding the four SMA the population enumerated in the municipalities of the district headquarters is highest in Sylhet Pourashwa (166,847) followed by the municipalities at Barisal (159,298) and Rangpur (155,964). The population of Rangamati Pourashwa is lowest (36,490) among the Pourashwas at the district headquarters. Among the cities outside the district headquarters the population of Syedpur is highest (128,085) followed by Seraiganj (104,522) and Brahmanbaria (88,635).

#### Household (Khana), Village, and Mouza

The total number of households (Khana) recorded in 1981 census is 15,135 as against 12,679 in 1974. The average size of household has increased from 6.64 in 1974 to 5.75 in 1981. Among the four administrative divisions in the country Khulna Division has the largest average size of household (5.95) followed by Chittagong (5.80) and Rajshahi (5.67). The average household size recorded in 1981 is largest in Jessore District (6.34) followed by Kushtia (6.33) and Pabna (6.14) District. The average size of household in 1981 census has been shown to be lowest in the district of Dinajpur (5.06).

The total number of villages, recorded in Bangladesh in 1981 census is 85,650 while the total number of mouza is 60,315. The highest number of villages has been recorded in the district of Sylhet (9,976) followed by Dacca (7,653) and Rajshahi (7,384) District. The district of Rajshahi has the highest number of mouzas (6,353) followed by Sylhet (5,801) and Dacca (5,425) District. The Chittagong Hill Tracts District has the lowest number of villages (732) and mouzas (180).

The villages with less than fifty household numbered 29,163 but with fifty or more households numbered 65,487 in Bangladesh in 1981 census.

#### Tribes of the Chittagong Hill Tracts District

In the preliminary report of the 1981 census the distribution of tribal population by 12 groups of tribes, household, subdivision, and thana has been shown in an appendix. The tribes have been divided into these groups: (i) Chakma (ii) Marma (Magh) (iii) Tipra (iv) Tanchanga (v) Mrung Mro (vi) Uchi (vii) Lusbat (viii) Bhem (ix) Pankhes (x) Chak (xi) Khayeng (xii) Kumi.

Out of 136,930 households in the district of Chittagong Hill Tracts 81,090 households of a variety of tribes, each speaking its own district dialect have been recorded in 1981 census of which 48 per cent households belong to Chakma, 24 per cent to Marma (Magh), 12 per cent to Tipra and 12 per cent to other tribal people.

Out of 18,085 Chakma households 20,273 households have been recorded in Rangamati Subdivision and 14,721 households in Khagrachari Subdivision. The

total number of Marma households in 22,520 which has been almost evenly distributed in 6 subdivisions of the district with highest number of households (6,956) in Bandarban followed by Rangarh (4,663) and Kaptai (3,490). The total number of Tipra households recorded in 1981 census is 9,977 of which Rangarh has the highest number with 3,971 households followed by Khagrachari (3,841) and the rest has been almost evenly distributed in the remaining four subdivisions. Tanchanga households (3,247) are about 4 per cent of the total tribal households in the district and among them 1,935 households have been recorded in Kaptai subdivision. Mrung (Mro) households (3,368) also constitute about 4 per cent of the total number of tribal households with the highest number of Mro households at Bandarban Subdivision (1,852) followed by Lama Subdivision (1,295). The total number of Bhom households recorded in 1981 census is 1,052 among which 1,013 households belong to the subdivision of Bandarban. The rest of the tribal households constitutes a very negligible proportion of the tribal people and is scattered almost uniformly over the whole area of the district with little concentration in a single subdivision.

The thana-wise distribution of tribal households in the district shows that Baghaichari Thana in Rangamati Subdivision has the highest number of households (6,603) followed by the two thanas of Kharachari (6,529) and Dighinala (6,328) in the subdivision of Khagrachari. In Baghaichari Thana total number of households (tribes and nontribes) recorded in 1981 census is 8,231 which indicates that 80 per cent households are being occupied by the tribes in this thana. The Chakma households predominate in Baghaichari Thana (6,000) followed by Dighinala Thana (5,655) and Rangamati Thana (3,950). The thana-wise distribution of Marma households shows that Bandarban Thana has the highest number of households (2,644) followed by Rangarh (2,432) and Chandraghona (2,040). Matiranga Thana in the subdivision of Rangarh has the highest concentration of Tipra households (2,592) followed by Rangarh Thana (1,208) and Khagrachari Thana (1,984).

#### Protected Area of Sundarban

The floating population of protected forest area of Sundarban by age group and means of subsistence has been shown in an appendix of the preliminary report of 1981 census. Only 3 per cent of the floating population has been recorded as children under 15 years of age indicating an undercount of children. Assuming that children should have been at least 50 per cent of the total population the undercount of children would have been about 90 per cent. The floating population of age of 60 years and above has been recorded as 3 per cent.

The total number of recorded floating population is 17,855 among which 5,186 live on fishing (29 per cent), 4,107 on fuel wood collection (23 per cent), 3,196 on wood cutting (18 per cent), 1,841 on collection of 'Golpata' (10 per cent), and the rest on collection of oyster and 'Hetal' and on digging well.

Most of the floating population of all the major livelihood group belong to the age group of 20-44 years. Among 5,186 persons who live on fishing 71 per cent belong to the age group of 20-44 years and among 4,107 persons working on fuel collection 80 per cent belong to the age group of 20-44 years. In the working class of wood cutting and collection of Golpata there are respectively 78 per cent and 80 per cent belonging to the age group of 20-44 years.

#### Population Possessing a House in the Protected Forest Area Sundarban

Population possessing a house in the protected area of Sundarban has been shown by sex, age group, and livelihood. Only 2,829 persons have a house as against 17,933 floating population of the protected forest area of Sundarban. Among a total number of 2,829 population there are 2,309 males and 520 females, sex ratio being very high. There might have been an undercount of female population. Children under 15 years of age constitute only 20 percent indicating also an undercount of children. About 75 per cent of the population possessing a house belong to the age group of 15-49 years and the rest (5 per cent) belong to the age of 50 years and above.

Five categories of livelihood have been shown. These are (i) No work (ii) Management of Domestic Affairs (iii) Agriculture (iv) Industry/Factory (v) Business (vi) Other.

About 70 per cent of the population possessing a house have been shown to belong to the sixth category. Only about 10 per cent of the population have been reported to belong to the second, third, fourth and fifth category of household management, agriculture, industry/factory, and business. The rest of the population (20 per cent) have been reverted to be doing no work and most of them (89 per cent) are children under 15 years of age.

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# COMMERCE MINISTER ANNOUNCES 1981-82 TEA POLICY

Dacca THE BANGLADESH OBSERVER in English 16 Sep 81 p 1

[Text] Tea export target for 1981-82 has been fixed at 76 million pounds with an estimated foreign exchange earning of Taka 77 crore reports BSS.

Announcing the tea policy of the current fiscal year on Tuesday State Minister for Commerce Chowdhury Tanbir Ahmed Siddiky said last year Bangladesh earned Taka 66.48 crores by exporting 65.70 pounds of tea. He said the estimated production of tea during 1981-82 will be 95 million pounds as against 90 million pounds produced last year.

Tanbir Siddiky said total availability of tea during the current financial year was estimated at 113.55 million pounds including an opening stock of 18.55 million pounds. He said total domestic consumption during the period has been estimated at 19 million pounds.

Bangladesh earned Taka 1.52 crore last year by exporting 11.02 pounds of packet tea the Minister said. He hoped this year with the import of automatic tea bagging and packaging machinery the standard on our teapacket will be raised and quantum of packet tea will increase substantially.

Detailing the salient features of the tea policy Tanbir Siddiky said the existing system of XPI on export of packet tea and income tax rebate on the same will continue. As part of promotional campaign to [word illegible] Bangladesh packet tea abroad concessional freight by Bangladesh Biman and Bangladesh Shipping Corporation will be allowed to export packet tea the Minister said. He said regular shipping space for tea specially to Pakistan Gulf states and Middle East countries will be arranged.

Tanbir Siddiky said all out efforts will be made to ensure that the quality of tea was in conformity with the standard set by the Government. He said international campaign will be expanded and strengthened for boosting tea export.

04 State Minister for Commerce said to boost export facilities of containerisation and additional palletisation will be made available to tea exporters at Chittagong Port. Tea will continue to be one of the exportable items of Bangladesh under Barrier Agreements with provisions for packet tea as far as possible samples up to 20 lbs against existing 20 pounds will be allowed to be sent abroad for promotional purpose.

Mr Siddique said export credit facilities to tea exporters will continue and arrangements will be made for direct telex services from Chittagong with all existing and prospective tea importing centres.

For the development of tea industry the Minister said full-time cells will be established in the district offices of Sylhet and Chittagong for expediting the processing of lease deeds of tea estates. He said power and gas will be provided by the concerned agencies to the tea estates on priority basis. Adequate money will be provided in ADP for implementation of Tea Boards rehabilitation project on priority basis he added.

The Minister said that the tea industry was passing through a crisis in the world market and as a reaction consequently our tea industry was also facing difficulties. He said due to extensive tea cultivation and accelerated growth of production by major tea producers and meagre annual growth of consumption globally tea prices have remained low.

Apprehending intensification of this crisis in future, Bangladesh along with other producers were endeavouring under the auspices of UNCTAD to come to an international tea agreement to overcome the difficulties, the Minister said.

Narrating numerous difficulties through which Bangladesh tea industry was passing the Minister however called upon the producers to take all necessary steps so that production of tea was raised to maximum level in the shortest possible time.

Replying to a question, Mr Siddique said efforts were underway to extend long-term house building loan to tea garden workers as part of government's overall plan to improve the condition of the labourers working in the gardens.

There are 112 tea gardens in the country, of which 130 are "active" the Press Conference was told. Over 1 lakh six thousand acres of land are under tea cultivation in the country.

The representatives of tea garden owners welcomed the tea policy and called upon the Government for continued dialogue with the planters for implementation of the policy.

1981-82 (1981)



SOMETHING ABOUT THE GOVERNMENT

THE DAILY BUSINESS TIMES in English 11 Oct 81 p 5

REPORT BY James A. Sattar in Dhaka

THE

SOMETIMES success does not pay. Take Bangladesh, where a record rice harvest has cost this desperately poor nation more than US\$100 million and has contributed to the interruption of a US\$1 billion aid programme.

Thanks to the intensive, high-yield style of farming here — lots of weeding, cultivating, fertilisers, pesticides — and some cooperation from the weather Bangladesh reaped four straight bumper crops. The harvest last spring gave it a total of 14.3 million tons for the fiscal year that ended in June.

That was 600,000 tons more than the year before but it still was not enough to feed the 90 million people here.

Bangladesh always imports some grain either as aid or by purchase. In the past that has been about 2 million tons a year, 75 per cent of it donated. But this last year as bumper crops rolled in donors cut their food aid to 500,000 tons.

That meant a direct loss of cash revenue

since the government sells the donated grain to the public through ration shops.

The government also had to buy more domestic rice than in the past, to keep the growers' price up, and now it is building 147 warehouses for the larger crop.

Altogether, the farming success cost the Bangladesh government about 2 billion taka (about US\$105 million), western experts estimate. But that was not the end of the problems for a government which is heavily dependent on foreign assistance.

Because of the rice problem inflation, over-enthusiastic development programmes and other problems, Bangladesh ran about 2 billion taka (about US\$105 million) over budget as the fiscal year drew a close, government leaders acknowledged.

So the government borrowed money from local banks.

Because borrowing is highly inflationary, the International Monetary Fund held up scheduled

payments under a US\$1 billion aid agreement to force the government to take corrective measures, officials said.

The three-year agreement, signed last December, has not been suspended. Acting President Abdus Sattar said in an interview. "They did not refuse (payment) but they wanted us to take some steps before releasing that amount."

The IMF made an initial payment of about US\$50 million early this year. After reviewing the government's books in March, it made the first supplementary payment of US\$50 million. The money is really bank credit — foreign exchange that commodity-starved Bangladesh can use to import goods and raw materials.

When the heavy bank borrowing came to light in the June review, the IMF ordered corrective action.

The government slashed public spending by 15 per cent and ordered the nation's banks to reduce the amount of loans outstanding by five per cent between Aug 1 and Sept 30.

Sattar denied rumours that Bangladesh also may devalue its currency to meet IMF requirements.

Sattar also rejected the idea that the government was dragging its feet on sensitive economic measures before the Nov. 15 election in which he is a candidate to succeed former President Ziaur Rahman. Zia was slain on May 30 in a failed coup attempt by army dissidents.

"Negotiations (with the IMF) are going on," Sattar said. "I think we will be able to abide by their decision."

Bangladesh hopes to get the September payment by the end of October, said a top government official who asked not to be identified.

"The representatives of the World Bank (the IMF's parent organisation) came to me and assured me that the World Bank would be prepared to help Bangladesh in all possible ways," Sattar added.

Meanwhile, confident of growing ever larger crops, the government plans to build 411 more grain warehouses. — AP

BRIEFS

FEND BETWEEN FACTIONS--Feud in Bangladesh Chhatra League deepened further with counter expulsion of Mostafa Jalal Mahiuddin President and K. M. Jahangir General Secretary of Jalal-Mahiuddin faction by the Fazlu-Chunnu faction on Tuesday. Jalal-Mahiuddin faction expelled Fazlu and Chunnu on Monday. Meanwhile 17 leaders of Bangladesh Chhatra League (Fazlu-Chunnu) in a joint statement on Tuesday termed the Jalal-Jahangir faction as illegal and unconstitutional and claimed that the group led by Fazlu-Chunnu was elected by the subject committee in a constitutional manner. Four leaders of Jalal-Jahangir panel in a joint statement on Tuesday severed their relation with the group and expressed solidarity with Fazlu-Chunnu faction. They are: Shamsunnahar Chapa Assistant Secretary Shah Mustain Billah Social Welfare Secretary Kazi Siraj and Khalesur Rahman Zakir executive committee. [Text] [Dacca THE BANGLADESH OBSERVER in English 16 Sep 81 p. 1]

JUSTICE PARTY FORMED--Formation of a new political party styled as "Bangladesh Justice Party" was announced in Dacca on Monday by a group of people who promised to revive the Parliamentary form of Government in the country, reports BSS. Addressing a press conference at the National Press Club on Monday, Mr Quamrul Hossain Mohammad Salahuddin, the chairman of the new party, said that the organisation was being launched in view of what he said "political void and lack of leadership" in the country. Mr Salahuddin a former member of Parliament who was associated with a number of political parties like NAP (Bhashani), Awami League, BAKSAL and the Democratic League said that one of the basic objectives of the new party could be to awaken national consciousness against "Indo-Soviet expansionist fetters." [Text] [Dacca THE BANGLADESH OBSERVER in English 16 Sep 81 p. 1]

SRI LANKA FRIENDSHIP SOCIETY--The Bangladesh-Sri Lanka Friendship Society has been recently formed with Mr Musfeg-ur Saleheen as President and Mr Jehaan Saleem and Mrs Hafeezul Alam as Vice-Presidents according to Press release in Dacca on Monday reports BSS. Mrs Asfa Hussain and Mr K.A. Siddiky are General Secretary and Treasurer of the Society respectively. The members are: Messrs Hafeezur Rahman J.C. Farooq Hossain Padamsee and Abu Talib. The society will further strengthen the common ties between the two countries and bring closer the people of the countries who share common heritage the Press release said. The inaugural meeting of the society was attended among others by Mr Chandra Rana Sinha High Commissioner of Sri Lanka in Bangladesh. [Text] [Dacca THE BANGLADESH OBSERVER in English 16 Sep 81 p. 1]

NEW DEB (AMBASSADOR)—The ambassador-designate, Mr. Jon Tae Jun of Democratic People's Republic of Korea presented his credentials to the Acting President Mr. Nurul Kabir at Bangladeshi on Tuesday morning, reports BSS. While presenting his letter of credence the new envoy said that the existing friendly relations between the two countries would be further strengthened in the coming days. Recalling the visit of late President Ziaur Rahman to his country, he said that he (Zia) had cemented the friendly ties between the two brotherly nations. Rediphrasing the sentiments the Acting President assured him of all cooperation during his tenure of office in Bangladesh. Later Mr. Jon Tae Jun visited the mausoleum of President Zia and placed wreaths. [Text] [DAILY THE BANGLADESH TIMES in English 16 Sep 81 p 1, 8]

INDONESIAN JUTE PURCHASE—Indonesia is to purchase jute goods worth about Taka 150 million from the Bangladesh Jute Mills Corporation, reports BSS. The contract was negotiated in Jakarta by the visiting Director (Marketing) of BMC Mr K. L. Rahman. The shipment of the goods will be made during November and December this year. This is the second such contract with Indonesia within two months. Earlier last month the BMC sold jute goods worth Taka 14 million to Indonesia. [Text] [DAILY THE BANGLADESH OBSERVER in English 17 Sep 81 p 1]

ONTOLE OFFICIAL APPOINTED—Mr. A. M. Shaukat Quadri has taken over as the Director of ISPA-MINI Ltd at Dyfence an official handout said on Wednesday, reports BSS. Before his new assignment, Mr. Quadri was the chief of Public Relations Department, Bangladesh Textile Mills Corporation under Ministry of Textiles. [Text] [DAILY THE BANGLADESH OBSERVER in English 17 Sep 81 p 12]

APPROACH TO GUINEA—The Bangladesh Ambassador Sheikh Tayebur Rahman has expressed the hope of greater cooperation and collaboration in various fields between Bangladesh and Guinea, says an official source. The Ambassador to the People's Revolutionary Republic of Guinea while presenting his credentials to the Guinean President Mr. Ahmed Sekou Toure at Conakry recently said that Bangladesh was moving forward under the leadership of the Acting President, Mr. Nurul Kabir, to the path shown by the late President Ziaur Rahman for eradication of ill-health, illiteracy, and economic and social backwardness. [Text] [DAILY THE BANGLADESH TIMES in English 21 Sep 81 p 3]

ASIAN DEVELOPMENT BANK LOAN—Manila, Sept 21—The Manila-based Asian Development Bank today announced the interest-free loan to Bangladesh (total eq. \$4.5 million) for jute processing, agrochemicals supplies and crops, reports BSS. A 100 million dollar loan is repayable over 40 years with 10 years grace and an annual service charge of only one per cent will provide the foreign exchange needed to pay the 100 million dollar interest of the government to rehabilitate the jute processing, irrigation and power lines and provide training facilities. The loan is made at 18 million dollars, repayable over 40 years with 10 years grace and 10 per cent service charge, is expected to benefit about 100,000 people living in northern Bangladesh. [Text] [DAILY THE BANGLADESH TIMES in English 21 Sep 81 p 1]

**FREEDOM FIGHTERS' ORGANIZATION**--A conference of war-injured freedom fighters at the injured freedom fighters rest house on Friday last dissolved the War-injured Freedom Fighters' Action Council and formed "Shaheed Paribar O Juddha-  
[Text] [Dacca THE BANGLADESH TIMES in English 29 Sep 81 p 8]

**AMBAASSADOR FROM MALI**--Mr. Koroissa (Koréissa), at present Ambassador of Mali to the People's Republic of China and the Democratic People's Republic of Korea, has been appointed Ambassador to Bangladesh with residence in Peking, reports ENA. Mr. Koroissa, a career diplomat, began his service life as the chief of the Bilateral Economic Cooperation Division in the Ministry of Foreign Affairs in 1969. Later on he was Counsellor of the Embassy of Mali in the Federal Republic of Germany and the People's Republic of China. In 1978 he was appointed Ambassador of Mali to the People's Republic of China and the Democratic People's Republic of Korea. He is a bachelor. [Text] [Dacca THE BANGLADESH TIMES in English 30 Sep 81 p 3]

**TITAS WELLS PLANNED**--The 25th annual general meeting of Bangladesh Gas Fields Co. Ltd. was held on Tuesday, at its office at Chittagong says a press release. Bangladesh Gas Fields Co. Ltd. has plans for development of Titas gas field by drilling three more production wells by 1984. The foreign exchange requirement of this development programme will be met from a two crore dollar loan from Asian Development Bank. During 1960 to 1969 the Company discovered five natural gas fields, namely, Rashidpur, Kailas Tila, Habiganj, Titas and Habiganj gas fields went into production. Natural gas from Titas fields is applied to Titas Gas Transmission & Distribution Co Ltd. Habiganj gas fields feeds the Shahjibazar Power Station and some nearby tea gardens. It will also partially meet the raw material requirement of Ashuganj Fertilizer Factory now nearing completion. [Text] [Dacca THE BANGLADESH TIMES in English 30 Sep 81

## EXPLORATION WILL BE ENLIGHTENED IN 20 YEARS

KUALA BELAIT: BRUNEL SHELL IN ENGLISH 3 Oct 81 p 44

Text

**KUALA BELAIT —** Brunei's recoverable oil reserves will last another 20 years at present production rates, Brunei Shell has indicated.

But recovering much of it will be expensive and technically difficult. Major new discoveries are unlikely.

This information is contained in an interview with the company's technical director, Mr John Wybrew, published in *Petroleum in Brunei*, a company quarterly.

Brunei Shell's technical director is second in rank to the managing director and Mr Wybrew in fact frequently acts as managing director.

In the interview he says Brunei's total recoverable reserve of oil is not far short of the total quantity of oil produced so far from Brunei.

Elsewhere he gives the total oil produced on land as 2.5 billion barrels. This is equivalent to about 20 years' pro-

duction at the present rate — but much less than 20 years if production were to return to 1979 levels.

In the first six months of this year production averaged 167,000 barrels a day, against 268,000 barrels in the first half of 1979. At present it is about 180,000 barrels a day.

In his interview, however, Mr Wybrew says the decade ahead is likely to be dominated by gas rather than oil interests.

In the last year or two it has become apparent that the pace of gas production from the South-west Ampa field, where oil and gas are combined, could not be forced without jeopardising oil recovery.

"That would be contrary to our primary objective as a company — to increase the ultimate recovery of Brunei's reserves of oil and gas and ensure that nothing more produced is wasted," he continues.

As a result the company has had to accelerate its programme of gas production in fields where gas is not associated with oil and can be produced separately.

At the same time "we mustn't of course ever look oil" even though an appreciable proportion of Brunei's reserves can be recovered only by using capital-intensive and technically and operationally demanding recovery techniques.

Brunei Shell is thus investing heavily in both gas and oil projects with capital expenditure this year set at \$650 million.

This is on top of the \$500 million cost of operating and maintaining present production systems. Total expenditure of \$1150 million is sharply up on last year's \$760 million and the previous year's \$590 million.

On exploration, Mr Wybrew says discoveries on the scale of South-west Ampa and Champion (Brunei Shell's two largest fields) are unlikely, although the possibility of substantial discoveries in unexplored areas remains a possibility. "It might be difficult to predict," he says.

BRUNEI — ANYBODY CONVICTED OF POSSESSING

OR CONTROLLING GUNS, AMMUNITION OR EXPLOSIVES

**BANDAR SERI BEGAWAN.** — Anybody convicted of possessing guns, ammunition or explosives will in future be sentenced to death, His Highness the Sultan and Yang Dipertuan of Brunei, has ordered.

Under the Public Order Enactment of 1962, offenders were previously liable to a maximum of life imprisonment.

But now the Sultan has ordered a change in the law which makes the death penalty mandatory for unlawful possession or control of armaments or explosives.

This amendment was made on August 25.

A further change rules out the possibility of a "good" sentence for offenders under the Pub-

lic Order Enactment.

Under Malaysia's stringent internal security laws, the death penalty is already mandatory for firearms, and in certain other offences and in the past year numerous people have been executed by hanging in Peninsular Malaysia for contravening these laws.

In Brunei, seven people, including a police officer and two of his brothers, are currently serving prison sentences for offences under the Public Order Enactment involving guns and ammunition.

The sentences range from 15 months to 20 years.

This followed the theft

of 20 handguns and a large quantity of ammunition from the armoury at Gadong police headquarters last December.

Another man is still at large.

Three of the pistol found their way across the border from Kuala Belait to Muar.

The sentences were imposed in the Brunei High Court earlier this year.

A local lawyer said:

"This effectively means anybody who is convicted of having a gun or ammunition for whatever reason will automatically be sentenced to death."

The courts have no choice.



## AGITATIONS IN THE NORTH-EASTERN STATES

By S. K. GHOSH, Secretary, Ministry of Home Affairs

What is the Government's attitude towards the agitators in the North-Eastern States?

(10)

NEW DELHI: Oct. 6

Leaders of the underground movements in the North-Eastern States and Union territories are trying to coordinate their insurgent activities with the militant agitators to pose a combined challenge to the authority of the Centre in this highly sensitive region. Though the official agencies concerned in Delhi know all about it, the Central Government has chosen not to react overtly to this provocative move.

It appears to deal separately in their respective contexts with the various insurgent and militant groups involved in the attempt to subvert the entire region.

The Government is allowing the pro-Indian movement in Assam to continue unhindered, while it is attempting to resolve a thorny problem of this kind. Here the agitators have been completely disorganised themselves because of the reasonable compromise. The so-called foreign nationals, returning to their native land for a short while, both the Assamese and the non-Assamese are also swayed by the new conditions created by the agitation.

**Inferminable talks:** The best the Centre can do in the meantime is not to deny those who have spearheaded this movement the feeling that the agitation has already secured its basic purpose of getting the Government concerned of their grievances. It is for this reason that the Central Government has been

engaging in the interminable discussions with them.

The situation in Meghalaya is considerably better in the sense that there is no organised insurgency or agitation there. But the ferment in this State is potentially more dangerous in the sense that its hill people are most exposed and vulnerable to the insidious propaganda of the underground elements operating from Nagaland and Mizoram.

The insurgents in Nagaland, operating from their sanctuaries across the border in Burma, have been trying to step up their terrorist activities to deepen the sense of insecurity in the State. But the security forces also are intensifying their combing operations to capture these desperados or keep them pinned down to their jungle hide-outs.

**Situation confused:** The situation in Mizoram is still confused since the Central Government's parleys with Mr. Laldenga have so far held out no hope of an early settlement. The very fact of these negotiations with him have emboldened the hardliners to keep up their pressure, while those opposed to Mr. Laldenga are making a determined bid to frustrate the moves for a compromise that could lead to his installation as Chief Minister in due course.

The fate of the present Marxist Government in Tripura is closely linked with the current efforts of the CPI (M) in West Bengal to evolve a better working relationship with the Centre

at the Government level without prejudice to their ideological positions. But if such an understanding is not possible in West Bengal and the CPI (M) sets itself on a collision course with the Centre, the repercussions are bound to be felt in Tripura since it cannot survive as a Marxist-controlled island in such a situation.

**Internal Feuds:** The internal feuds between the plains people and the hill people in Manipur remain as bad as ever and if anything, there have lately been signs of deepening strains. The hardliners among the hill people who have threatened to forsake their Hindu faith and take to fetishism in protest have been making a concerted bid to intensify the campaign for their self assertion.

All these agitations and insurgencies have had separate origins in the sense that each one is the product of some smoldering local grievance. But the absence of an inter relation has not prevented an inter action of these movements to produce deeper dissonance in the region.

It is against this background that the Government is taking a serious view of the reported attempt of the activists and underground leaders in all these North-Eastern States and Union territories to put up a combined fight. The accent now is on combining firmness with flexibility to meet their legitimate demands without yielding to their dictates on any issue of consequence that could have an adverse impact in other States.

## TAMIL NADU PANCHAYAT ELECTION PLANS DETAILED

MADRAS TIMES, 19 OCT 1980, p. 81 p. 1

MADRAS, Oct 8

About 2.44 crore rural voters in Tamil Nadu will go to the polls in the latter half of December to elect their representatives to 13,241 panchayats and 375 panchayat union councils.

The polling will be held in two stages on December 23 and December 28. One hundred and eighty-eight panchayat unions and the panchayats forming part of them will be covered in the first stage and the remaining panchayat bodies in the second stage.

The elections coming after a lapse of 11 years are to be conducted under the recently amended Panchayats Act which confers voting rights on those who have attained the age of 18 and also provides for reservation for the Scheduled Castes and the Scheduled Tribes and for women.

**Reservations.** The Local Administration Minister Mr P. Kolandavelu who announced the election programme at a press conference today said that out of the 13,241 panchayat presidents to be elected 2,382 would be from

SCs and STs including 381 women. Provision had been made for reservation for non-SC and ST women also and they would get 1,565 presidencies.

Of the 375 panchayat union council chairmen, also to be elected directly by the people 64 would be reserved for SCs and STs (including 12 for their women). Forty-three Panchayat Union Council Chairmen's posts would be reserved for women belonging to non-Scheduled Castes and Tribes.

There are 37,204 wards in the panchayats. Many of them are multi-member wards and hence the total number of members of panchayats to be elected will be 1,19,752.

Mr Kolandavelu said the counting of votes would be held on December 29 and the new panchayats would be installed in office by New Year Day (January 1, 1981).

**Poll programme.** The following is the election programme: First Stage: filing of nominations — December 4, 5 and 7; scrutiny of nominations — December 8; last date for withdrawal

of nominations — December 11; and polling — December 23. Second Stage: filing of nominations — December 9, 10 and 11; scrutiny — December 12; last date for withdrawal — December 18; and polling — December 28.

The polling will be held between 7.30 a.m. and 4.30 p.m. Three ballot papers in different colours will be issued to every voter — one for the election of the panchayat member, another for panchayat presidents and the third for panchayat union council chairman.

**Non-party basis.** Tamil Nadu Mr. Kolandavelu said would be the first State to have made reservation for SCs, STs and women in panchayat elections which would be contested on a non-party basis.

The Minister said the electoral rolls had been revised by including all those who have attained the age of 18 as on January 1, 1981. If any eligible voters had been left out, they could get themselves enrolled up to December 3 by making an application.

## G.K. REDDY: RASGOTRA TO BE FOREIGN SECRETARY

Madras THE HINDU in English 25 Sep 81 p 9

[Article by G. K. Reddy: "Rasgotra To Succeed Sathe as Foreign Secretary"]

[Text] New Delhi, Sept 24--The Government proposes to appoint the present Indian Ambassador in Paris, Mr M. K. Rasgotra, as the next Foreign Secretary after Mr K. D. Sathe completes his term in the normal course.

Though no formal orders have been issued yet, the officials concerned have been told that Mr Rasgotra would be succeeding Mr Sathe when he retires in April next on completion of his two-year extension.

The latest indications are that Mr Rasgotra would be brought back to the Ministry before the end of the year, after the Prime Minister's visit to Paris in November, to take over from Mr Sathe in due course. It will entail the posting out of the second senior-most Secretary in the Ministry, Mr Eric Gonsalves, to an important foreign assignment.

As he has another four years of service left, Mr Gonsalves can still come back as Foreign Secretary after Mr Rasgotra's retirement. But many others in the line of succession will be retiring in the meantime clearing the way for rapid promotions down the line.

The Government also proposes to appoint a number of outsiders to some senior diplomatic posts on individual considerations. The former Army Chief, Gen. D. V. Malhotra, is being considered for the post of Ambassador to Indonesia and the retired Air Chief Marshal I. M. Latif, also might get a diplomatic assignment.

There is a move to appoint the present Chairman of the Atomic Energy Commission, Dr P. N. Rao, as ambassador in an important West European capital like Paris to avail of his vast experience in nuclear matters which have come to assume increasing importance in the conduct of foreign relations. This will clear the way for Mr Raja Sankar to head the Indian nuclear establishment.

The Government is also thinking of limiting major political appointments to the Ministry on the first instance and extending the term further depending on the appointment of the incumbent. It is in this context that it has decided to extend the term of the Indian ambassador after Dr Seyid Mahmud completes his term in April 1982.

The prime minister wants all these changes to be completed smoothly without any inordinately long gaps in postings, since the next few months are going to be particularly busy with a series of intricate discussions. After her return from the Commonwealth conference, Mrs Gandhi will be going to Cancun next month for the North-South summit and then to Paris in November for finalising several economic agreements with France.

The official level talks with China will be held either in late November or early December, and also the nuclear discussions with the U.S. before the Secretary of State, Gen. Alexander Haig, pays a visit to Delhi. The new year will see the usual flurry of VIP visits involving time-consuming diplomatic exchanges. And as India sees it there are bound to be some talks on Kampuchea, Afghan, Gulf and other issues in the near future if the proposed Soviet-American dialogue gets into stride.

As one who has had a distinguished career in the Foreign Service, Mr Sathe was recalled from Beijing at the end of 1979 and appointed Foreign Secretary in place of Mr L. S. Mehta, since he had already been offered this post in 1976 after Mr Kewal Singh's retirement. He declined the offer at that time and preferred to be posted to Paris for personal reasons.

But during the last two difficult years, Mr Sathe has served with distinction handling many delicate policy problems both during and after the change-over of government. It is quite likely that he will be considered for a Governorship or another diplomatic assignment abroad on his retirement.

Mr Vaswatra has had an equally distinguished, and perhaps more challenging record of service as Minister in Washington during the 1971 Indo-Pak conflict, Acting High Commissioner in London and Ambassador to Nepal, before he was sent to Paris during a formative stage of Indo-French relations.

It has not yet been decided where Mr Gonsalves will be posted, but he will get one of the top missions because of his vast experience. In the last 2-1/2 years after his return from Tokyo, he has borne more than his share of burden in the Ministry looking after many important territorial divisions dealing with North and South America, China, Japan, ASEAN and the whole Pacific region. He has also been handling the highly complex nuclear talks with the U.S. on the fate of the Far East agreement.

# THE NEW NATION

Volume 1, No. 1, 1961

Price 10/-

## NEW DELHI, Oct. 5

The Government is stepping up its activities to persuade the United States, Canada, Britain and West Germany, among others, to permit the propagation of information to incite new territories for propagating the secessionist movement.

These countries have been pinning their inability to curb this campaign since any attempt to restrict such propaganda would mistake against their own best interests of business.

But what is confronting them with world-wide evidence of how they were being tampered with during a brief visit to these nations to the point of surrendering them. The Government has not been prepared for the explosion of any other restriction or the exposure of its submission to the American movement only a disapproval of the open

secret of the American Government's attempt to control the situation. The Government has been unable to control the situation in the United States, Canada, Britain and West Germany, among others, to permit the propagation of information to incite new territories for propagating the secessionist movement.

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since the big powers have been guilty of such interference in other countries. It would not be far wrong to infer that they were doing likewise in India also as part of their attempt to dominate the weaker nations.

It is recalled that throughout the Centre has taken strict precautions to prevent subversion movements during the Datta-Trivedi-Gandhi visit. This move, it has also stepped up the vigilance in sensitive border States like Punjab and the North East region where communal and caste or insurgent movements can easily assume ugly dimensions.

The present ferment in the country is manifesting itself in ghastly ways during their regional agitation to subversive campaigns. It has come to the notice of the Central Government that some underground elements, such as Muzam, Nalanda, Tripura, and Manipal have established contact with anti-social groups even in Sikkim where the Nepalese extremists have been trying to stir up trouble.

**Adverse publicity.** The recent rash of highway accidents has brought a bad name to India in countries like Japan, Japan, Iraq and even Tanzania which were turning enthusiastically to this country to help in building up their highway systems. The Government is worried about the adverse publicity these railway accidents may be bringing abroad as though they were the negative consequence of avoidance of vigilance and law maintenance.

There are several highly skilled persons in the Centre who are being sent to various parts of the world for a period of six months to a year to study the latest in modern technology through extensive exposure to external resources.

INDIA

## MI MISSION IN NORTHEAST TOLD

By Staff Writer PATRIOT in English 6 Oct 81 p 5

ground control.... This is VRC....DZ in sight--coming in for dummy

...staccato conversation we overheard on the wireless between the officer on the ground and the airforce helicopter pilot.

...ation took place as the aircraft approached the small strip of flat top a hill in a place called Ngopa in the mountainous tract of Mizoram.

stands for 'Victor Romeo Charlie,' a code for communicating between the ground control and 'DZ' is an abbreviation for 'dropping zone' means the place where the plane has to drop its load.

...a few minutes drive from the village of Ngopa that is itself a few days or a 45 minute crew flight from Aizwal, the capital of Mizoram.

...fortnight back, a group of newsmen from Delhi was flown into Ngopa from Assam to witness how the officers and men of the Eastern Air Command carried out their mission to drop food and other items in the remote villages of Mizoram.

...nds of the above crisp conversation gave way to the shrill noise of helicopter engines, as it passed over the strip in the dummy run and then to circle in for the actual dropping run.

...and once again the wireless crackled, 'ground control....this is VRC....DZ in sight--coming in for dropping.' Back went the reply 'VRC--DZ clear' and within seconds, the helicopter came in low over the strip. It momentarily hovered a few feet above the ground as the load of sacks and food fell from the open cargo hold in the rear of the craft, in a 'free drop' manner.

...speed it rose to circle in for another drop. This time, it passed and as, unlashd, crated stores gently floated down on parachutes. It was a demonstration of how troops embark and disembark from a



Chief of Staff, the Air Officer Commanding-in-Chief Eastern Air Command, Air Marshal M. Williams briefed the newsmen on the role of the men of the Transport Division of the Air Force in the North Eastern region.

Besides flying a Vigil in the skies during peace and carrying out its wartime role, the Eastern Air Command also looks after the task of supplying essential items to the remote North of Arunachal Pradesh, Sikkim, Nagaland, Manipur, Meghalaya, Mizoram and Tripura. It also carries out mercy missions to bring out the sick from the remote corners of these States to the safety of a hospital in the city, Air Marshal Williams said.

The Air Marshal further said that in about 15 places, about 15 million kgs of food had been dropped last year while about 8-9 lakh kgs had been evacuated this year. Again this year about 2.5 million kgs of food was dropped and about 10 lakh kgs were evacuated. He said during the Bhagmati valley disaster about 20 lakh kgs of ammunition had been flown in and the first rescue party had been flown in for relief work. A hundred hundred kgs of food and 10 kgs were dropped in the flood hit area of Orissa, and the famine affected places of Bihar and UP.

The morning of the third and the last day of our visit to an Air Force station is a day to look at the intricate and delicate operations that are performed by the men and women of the Air Force that are to be dropped.

One of the operations we are given an idea about the humanitarian work done by the Air Force. We see that in a short span, two 'Cessna's' are packed with supplies and loaded into a Chetak helicopter. Within an hour the helicopter is off to the rescue of the sick and his equipment.

One of the medical versions of a Mi-8 helicopter, a virtual tiny hospital in the air, is seen being loaded and transported. This enables the doctor to be on the spot and treat the patient on the spot.

The day is a busy one and the Air Force is engaged in a lot of work in the weather and the ground. The day is a busy one and the Air Force is engaged in a lot of work in the weather and the ground. The day is a busy one and the Air Force is engaged in a lot of work in the weather and the ground.

**T**he first mission was a night strike against the Iraqi command center. It was a very difficult mission. The pilots had to fly at a very low altitude to avoid radar. They had to fly through a very thick layer of clouds. The mission was a success. The command center was destroyed. The pilots were awarded the Distinguished Flying Cross.

The second mission was a day strike against the Iraqi command center. It was a very difficult mission. The pilots had to fly at a very low altitude to avoid radar. They had to fly through a very thick layer of clouds. The mission was a success. The command center was destroyed. The pilots were awarded the Distinguished Flying Cross.

The third mission was a night strike against the Iraqi command center. It was a very difficult mission. The pilots had to fly at a very low altitude to avoid radar. They had to fly through a very thick layer of clouds. The mission was a success. The command center was destroyed. The pilots were awarded the Distinguished Flying Cross.

The fourth mission was a day strike against the Iraqi command center. It was a very difficult mission. The pilots had to fly at a very low altitude to avoid radar. They had to fly through a very thick layer of clouds. The mission was a success. The command center was destroyed. The pilots were awarded the Distinguished Flying Cross.

#### Awsome

The fifth mission was a night strike against the Iraqi command center. It was a very difficult mission. The pilots had to fly at a very low altitude to avoid radar. They had to fly through a very thick layer of clouds. The mission was a success. The command center was destroyed. The pilots were awarded the Distinguished Flying Cross.

The sixth mission was a day strike against the Iraqi command center. It was a very difficult mission. The pilots had to fly at a very low altitude to avoid radar. They had to fly through a very thick layer of clouds. The mission was a success. The command center was destroyed. The pilots were awarded the Distinguished Flying Cross.

But the training of the crew that trains the fighters and bombers is almost nothing untoward. They all come back safe in one piece through the last telephone in one of the aircraft comes out.

To be a human is a familiar saying. But for a fighter pilot, there is no room for such an attitude. His operations involve split-second decisions. A mistake will mean the loss of the aircraft but also the life. USAF pilots rarely make mistakes and casualties are few.

Hard work backed by hours of exercises on the ground and in the air is the secret behind the pilot's capability to take the right decision always. A pilot is helped to learn about the intricacies of flying a weapon of offense and a precision target by hand, along the road to super competence in every aspect of it. It takes years for a pilot to get acquainted with the operation of a variety of aircraft.

For every emergency—which are not infrequent—are rehearsed and discussed. Hours are spent on analyzing a situation that gives only a two-second reaction time. The unusual procedures are drilled into the subconscious mind of the pilot. And if an emergency arises in the sky, he refers to his would-be reflexes and not his intellect.

#### No greater loss

Nothing is more costly to the Air Force than the loss of a pilot trained over the years to fly with the accuracy of a homing pigeon and speed of a missile. The loss of every target with accuracy like accuracy. My job is not to die for my country but to make someone else die for the country. It is the motto of every USAF pilot.

The men comprising the IAF are of more advanced human in any way than the average soldier. But training is more advanced. It is not only the physical training, but also the mental training that is a part of the IAF. The IAF is a very special force, and it is very special in its way of life.

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#### Important element

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#### An epic battle

The IAF is a very special force, and it is very special in its way of life. The IAF is a very special force, and it is very special in its way of life.

formed in 1960 with the responsibility primarily of providing air cover for Soviet and Russian. It protects the oil installations and the atomic power projects in the area. Earlier it was operating as Group No. 1. The battle for Longwall, which one of the leaders in the Command had fought in the 1971 conflict with Pakistan, has become as great an epic of military aviation as the Battle of Waterloo. Wherever the history of air warfare is studied, references are made to Longwall.

In addition the Air Force gives support to the ground forces.

An important role in training pilots as fighter leaders of the IAF and in acquainting them with the latest tactics of air warfare is played by the Tactical Air Combat Development Establishment (TACDE). It may perhaps be the most important of all the establishments that we visited at the IAF station. It is where the pilots are given the most intensive training and instructions in the latest methods.

Air Marshal Bhatia is of the view that very few such institutions exist in the world. He is aware of one in the U.K. and another in the U.S. and there would be some similar establishments in the Soviet Union too. Before TACDE was established in December 1970, IAF trainees had to go abroad to get versed in the tactics of air combat. Of course even now IAF fighter pilots keep visiting training establishments abroad to go through orientational courses.

#### Special suits

When pilots have to fly at very high altitudes they wear special pressure suits. The clothing for high altitude flying has a special place in the working life of a fighter pilot, and the medical officer is required to keep an eye on it. It is put on by the pilot in the presence of the medical officer with the help of one tasked to do the job.

The very comfortable as it is it has to be taken off within two hours. The clothing must have an effective cushion since as the jet is driven starts to rise in the pilot leaves the ground. At 10,000 metres 100 per cent oxygen is given to the pilot. The special manufacturing of the clothing which India does not yet export gives counter pressure to body pressure.

The general staff we had with the workshop life of IAF pilots (pilotage) is not only a security issue, in other words. They are the men who would not leave anything above the interests of the nation.

Of course IAF pilots have performed all other human things. One of these problems is the relatively small amount of time they have for the night they spend. As a Commander T. K. Sen put it, an IAF officer does not make more than a bank president, though his responsibilities are far more complicated. But, as Commander Sen pointed out, "we are a team."



A fighter pilot rushing to his MiG 21 fighter interceptor for a quick take-off to engage an enemy aircraft during an air defence exercise.

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19. (b) (1) (i) Dr. P. J. Jeyaraj, the General Secretary of the Tamil Nadu Legislative Assembly, has been instrumental in the formation of the Tamil Nadu Legislative Assembly and has been instrumental in the formation of the Tamil Nadu Legislative Assembly and has been instrumental in the formation of the Tamil Nadu Legislative Assembly.

11/11/68, 11:00 AM. It will be a total betrayal of the election promise made by the AIADMK and its leader, Mr M.G. Ramalingam, to the people of Tamil Nadu during the last elections," the State Unit of the CPI(M) said in a resolution adopted at its three-day session, and released to the press on 11/11/68.

[illegible]

1. On 11/11/68, while on leave from duty, the SA/INS began to drive the vehicle to the home of the SA/INS's Department. He parked the vehicle in the driveway of the home of the SA/INS's Department. He remained only in the driveway of the home of the SA/INS's Department and did not enter the home. The SA/INS's Department was the SA/INS's Department's wife. The SA/INS's Department was the SA/INS's Department's wife.

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...the "realist elements" to be "re-educated" in the policies of their leadership.

...the AIADPS is "a party of the people" and not a party of the "elite".  
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## PROBLEMS IN SIXTH PLAN FULFILMENT DISCUSSED

Calcutta THE STATESMAN In English 9 Oct 81 p 8

[Commentary by K. Rangachari: "Plan &amp; the Economy: Silence at Yojana Bhavan"]

[Text]

**I**S the Sixth Plan in operation? With only three and a half years left of the five-year period, evidence of the Plan's thrust on economic forces to accelerate growth is very hard to find. Obviously, the Energy Ministry's claims about production of five million more tons of coal and of 14 per cent more power in the last six months and the Railways having earned more through higher freights and fares (in spite of lines blocked by accidents) cannot be all that planning is about.

The last meeting of the Planning Commission did not produce any memorable decisions on the short or long term strategies proposed to make the best of the advantages available. The political distractions for both the Centre and the States have been far too many to allow them to concentrate on the implementation of planning policies and execution of projects. The execution of power projects is very much behind Plan targets, at least partly because of financial constraints. The losses of State Electricity Boards for the last five years have risen to over Rs 500 crores and U.P., which is always ahead in every kind of shortcoming, by itself accounts for Rs 327 crores.

Has the country then to remain satisfied with whatever agricultural growth that the annual rainfall can promote and such industrial expansion as is permitted by the very slow and gradual improvement in coal, power and transport? The official publicity agencies can certainly make all

this look larger than life by their choice of the bases for comparison of economic trends, but they are fast losing credibility because the public is able to see for itself the hard realities of power supply or railway transport.

**GROWTH?**

Industrial production, for example, has actually declined in the April-June quarter with the index recording 158.8 as compared with 159.2 for October-December last year and 160.2 for January-March this year. Yet, this is being presented as a growth of 11.1 per cent over the corresponding quarter of last year, which is a half-truth concealing the fact that the momentum gained in the second half of 1980-81 has not been maintained in spite of the improvement claimed for the infrastructure services. In agriculture the absence of drought conditions of such severity as in 1979-80 explains the entire achievement of a 6.5 per cent growth in national income in 1980-81 to which industry had contributed only a meagre four per cent increase.

In the current year, growth prospects are dimmed by the probability of agriculture not showing any substantial advance over last year (except in sugarcane) and industrial recovery being limited to a further increase in the utilization of installed capacity through better availability of power and coal (except that cane supplies will help increase sugar output by 20 per cent). Investment in

capital goods industries is still low in real terms and the periodical claims made by the Industry Ministry for the rising output of its heavy industries are highly suspect as they are put out in terms of value which, in a phase of rising prices, can give no clue to the real state of affairs. The present subdued trends in the economy justify only very moderate expectations, of a rate of growth much below the Plan target of about five per cent, possibly of about three per cent.

**FEARS**

However, the private sector seems to be doing much better than the public sector, greatly encouraged by the continuing double-digit inflation and the absence of any fall in overall demand which might have been expected from the Government's anti-inflationary policies. Though there are fears that the credit squeeze and the dear money policy may affect the supply of working capital to industry, there is no sign that the Reserve Bank's measures have begun to bite. Investment intentions reflected in the licences issued, approval of capital issues and share capital raised indicate considerable optimism in this sector.

Part of this growing confidence may be attributed to the serious limitations of public sector undertakings both in respect of financial and managerial resources and lack of any evidence yet that they will be allowed the minimum of flexibility in their operations under the present

system of accountability. That 20 posts of chief executives and 41 posts of executive or functional directors were vacant last month—with several of them remaining vacant for long periods—is the most damaging admission that the Government has made for the public sector on which it has depended to control the commanding heights of the economy.

To the extent that private sector industries are dependent on the facilities provided by the public sector or on the off-take of their products (such as aluminium cables by State Electricity Boards) their own expansion may be restricted. Otherwise, however, the present situation favours large private investments and the outlook for the private sector can only get better with any shifts in the policies of the Government which are in the direction of relaxation of controls or the adoption of market-oriented policies which may be part of the terms of obtaining international aid.

The sudden change in the prospects for foreign aid has cast a deep shadow on the Plan. To the extent to which the size, viability or the number of plan schemes in the heavy industrial and power sectors have been based on the soft loans of IDA, there may be need for a second look in the light of the recent Washington discussions which have stressed the importance of commercial credits, private co-financing and restricting of soft loans to the poorest countries to enable them to gra-

duate to higher levels of income. The Plan had assumed that our foreign exchange reserves will be kept at about Rs 4,000 crores as a safety net, but they have already declined much below that level. The IMF credit, even if fully sanctioned, will be available only for supporting the balance of payments, not for project aid except indirectly when commercial credits are obtained for specific projects and their servicing puts pressure on the payments position.

It remains to be seen how the next meeting of the Aid-India Consortium (which is still a long way off) will deal with this country's requirements. Some bilateral aid on liberal terms may still be forthcoming depending on the approach of individual donor nations. How much of the earlier commitments will materialize in the changed circumstances will also have to be watched. The time has come when the aid authorized or committed in earlier years for specific projects should be promptly utilized by expeditious execution of projects. The total of such aid may now be of the order of Rs 5,000 crores, though some portion of it may not be usable for various technical reasons.

The present uncertainty will certainly make the task of project formulation in some key sectors which are dependent on external finance extremely difficult. Adding to the complexity will be the yet unassessed requirements of foreign exchange for defence supplies and current imports of oil at rising prices of

crude and of other commodities like foodgrains and edible oils since the Government has followed the policy of influencing the market through augmenting supplies even at the expense of foreign exchange reserves rather than through physical or price rationing.

## DILEMMA

A more serious dilemma presented by the Sixth Plan as it has been formulated is how it can be adapted to conditions in which the Government will have to accept restraints in the matter of the levels of budget deficits and increases in money supply, which will necessarily involve self-denial in the matter of borrowing from the banking system. The safe limits set in the Plan for deficit financing have already been reached or exceeded. While it is easy to prescribe limits on public expenditure of a non-developmental character, the Government will not find it easy to conform to them.

Many of these issues have to be discussed in depth at various levels but so far only silence has emanated from Yojana Bhavan, possibly because it can evoke no response from its political overlords who (except for those directly connected with the Planning Commission) may not even be aware of the grave implications of recent developments and the present low level of performance of the Indian economy. Who or what can stimulate their powers of thinking and understanding?

## DETAILS OF WORLD BANK, IDA LOANS REPORTED

Madras THE HINDU in English 9 Oct 81 p 9

[Text]

NEW DELHI Oct 8

India will be receiving a total credit of \$179 millions (about Rs 170 crores) — \$150 millions from the World Bank and \$29 millions from its soft-lending affiliate, the International Development Association (IDA) — the first loan for financing part of the foreign exchange cost of industrial investment to be made by private enterprises in India and the second for the planting of fuel-wood trees on wasteland throughout West Bengal.

The \$150 million loan from the World Bank, which will be routed through the Industrial Credit and Investment Corporation of India (ICICI) will carry a rate of interest of 10.6 per cent and is repayable in 15 years including a grace period of three years.

The IDA loan will be routed through the Government and is repayable in 50 years with a 10-year grace period. The loan is interest-free but carries a 0.75 per cent service charge to cover IDA's administrative costs.

The \$150 million loan will help ICICI to provide long-term finance for high priority industrial projects primarily undertaken by medium or large companies in the private sector. The ICICI has been assisting chemical, electrical, electronic and mechanical engineering industries and provides institutional support to State Government enterprises.

The ICICI has previously received loans to the tune of \$860 millions. Its continued growth and profitability is enabling it to diversify its sources of foreign currency through syndicated

Euro-dollar loans and note issues. The diversification will continue at an increased rate during the period covered by the present World Bank loan.

**Plantations on wasteland:** The IDA loan of \$29 millions will finance part of the project for the establishment of 93,000 hectares of plantations on private and public wasteland in West Bengal. The plantation will provide mainly fuelwood and poles and smaller amounts of fruits, oilseeds and other forest produce for use by rural communities.

The State-owned wasteland would be leased to landless farm labour. The project will also provide for the design and construction of 10,000 improved stoves to be demonstrated in at least 2,000 villages.

To carry out the project a social forestry wing (SFW) will be established by the West Bengal Forest Department. The staff of the SFW will be trained and equipped to manage the nurseries and seedling distribution system and to provide an extension service.

The initial emphasis will be on the establishment of 52,000 hectares of plantations on private wasteland of which 32,000 hectares will be directed to small farmers and landless farm labour.

Provision has also been made to rehabilitate and afforest 15,000 hectares of State-owned forest and to establish 20,000 hectares of strip plantations along roads, canals, railways and riversides.

## AIR FORCE CHIEF SPEAKS AT ANNIVERSARY PARADE

Bombay THE TIMES OF INDIA in English 9 Oct 81 p 5

[Text]

NEW DELHI, October 8 (PTI).

**T**HE Indian Air Force was fully prepared to face any challenge in the skies, Air Chief Marshal Dillbagh Singh declared here today.

Speaking at the 49th air force day parade, the Air Chief Marshal said that the air force had shown its mettle in the past and was today fully "prepared and confident of fulfilling any task that the nation might entrust it with."

He said that the primary role of the air force was to guard the skies of the motherland and remain ever-vigilant for instant action for the decisive and crucial role in the initial stages of any hostilities.

Air Chief Marshal Dillbagh Singh also presented Vayu Sena and Vahast Seva medals to 13 air force officers and men for their devotion to duty and distinguish services in their respective fields of duty.

In all, 550 men and officers of the air force took part in the parade. Dressed in their summer ceremonial uniforms with their medals glittering, the officers and men proudly staged a colourful march past.

In a vice formation, three Mi-8 helicopters carrying the air force insignia flew over the parade ground. The celebrations ended with the air force band playing "sare Jahan se achcha Hindustan Hamara."

**GLORIOUS HISTORY**

Fifty years in the history of a force, the air chief said were not much. The Indian Air Force could be proud of its glorious history and achievements in this short span, he added.

From tomorrow the air force enters the golden jubilee year and "I take this opportunity to assure the chief of the Indian navy and the commander-in-chief of the army that in any even-

tuallity the air force would work in closer cooperation with the other services.

"I am fully convinced that no force working in isolation could make any headway in times of stress. I also assure my countrymen and the government that the air force are fully ready and equipped to face any challenge," the air chief added.

The air chief expressed his gratitude to the government for undertaking cadre review of the air force and removing stagnation, which had grown over the years in the service.

He assured the officers and men that the government was fully aware of the needs and job hardships of the air force and it was expected to undertake such reviews from time to time.

He said that the air force was predominantly an equipment-oriented service. "Our aircraft and systems represent some of the most complex and sophisticated systems in existence. In the years to come they will become increasingly so."

**NEW EQUIPMENT**

The air chief said: "In our pre-strategic settings, major modernisation and re-equipment programmes will be a continuing and necessary feature of our force. It is our duty and responsibility to ensure that the new equipment and systems are assimilated, mastered and made operationally viable within the shortest possible time."

The following is the list of awardees: Vayu sena medal: Wg-Cdr A. Tipnis, Wg-Cdr P. S. Brar, Wg-Cdr S. S. Gill, MWO P. K. Monon.

Vahast Seva medal: Gp-Cap. T. D. K. Khanmohini, Wg-Cdr B. G. Chitnis, Wg-Cdr K. P. Sharma, Wg-Cdr Sham Rao, Wg-Cdr N. C. Kaushal, Wg-Cdr Kapila Kak, Wg-Cdr Badrinarayan, Wg-Cdr S. P. Bhasin, Wg-Cdr S. Chaudhari, Sqd-Ldr R. N. Dasa, Sqd-Ldr Prabhu Singh, MWO B. V. Venkateshram, JWO M. C. Sivagnawa.

## AIR FORCE GEARING UP TRAINING PROGRAMS

Calcutta THE STATESMAN in English 8 Oct 81 p 3

{Text}

**T**HE Indian Air Force is gearing up its training programmes and information mechanism to meet any threat that may come from the sophisticated U.S.-built F-16 fighters. In the near future, it is learnt from expert sources in the eastern sector.

Discussions on the F-16 has acquired an important place in the training programme of fighter pilots, following Pakistan's decision to acquire the aircraft. Indian pilots are getting regular briefings on the strength and limitations of the aircraft.

The sources say that the F-16 is regarded as a powerful weapon system, but not invincible. They, however, admit that introduction of the F-16 will usher in a superior technology in the area, and expect that the Indian Government will provide its Air Force with a suitable aircraft to meet the challenge.

But, experts point out that thorough training, or the lack of it, can be a crucial factor in a war. The strength of the F-16 is its speed, ability to carry a heavy weapon load and radar-jamming capabilities. But, the effective use of the weapons depends on the performance of a sophisticated radar on board the aircraft. Even in the U.S. Air Force, about 50% of these radars are said to be unserviceable. They wonder how far the Pakistanis will be able to handle the radars.

However, it is also noted that the Pakistani pilots are receiving training in the USA.

In military strategy, though, it is the capability of the potential aggressor that counts, and not his intentions. It is said that even if Pakistan can get a few F-16s shortly, a few years will have passed before the ground installations necessary to fly these are set up.

The air bases in the eastern sector, however, are mainly concerned with the northern border, where Hunters and Gnats are said to be more suitable. In the hilly areas of Tibet, the need is for a relatively slower aircraft with a smaller turning radius. It has been found that Harriers, which are capable of vertical take-off and landing can be useful in the Tibet area.

It is felt that it is the men behind the machines that matter most in a modern air battle because the computerised machines will act according to the orders of the pilot. Though Pakistan had more potent and powerful aircraft than India during the two wars in 1965 and 1971 yet it suffered defeat at the hands of India because the pilots and Army officers were better trained. In 1965, Pakistan had Sabre (F-86) and Super Sabre (F-104) and in 1971, it had Mirage III, yet it was humbled by India. The Indian Air Force is, therefore, putting greater stress on training of the pilots.

CIS: 4220/7197

## CHAIRMAN TELLS PLANS FOR ONGC REORGANIZATION

New Delhi PATRIOT in English 8 Oct 81 p 5

[Text]

"Four enemy fighter aircraft are approaching the airfield to launch an attack".

As soon as the message is transmitted to the two fighter Command Air Patrol (CAP) already airborne to protect the airfield, they sprang into action. Armed with two air-to-air missiles and a double barrel cannon, the pursuing aircraft began to encircle the airfield at a height of 3 km in order to enable the anti-air gun to open fire on the enemy raiders.

While the enemy combatants flying in a union of two each swooped down to attack the airfield, the defender CAP positioned themselves to intercept and shoot the intruders.

This was part of an exciting 'mock fighting' display shown to a group of newsmen who visited a site under the Western Command — a few days ago.

The spectacular display demonstrated the agility, spontaneity, and pinpoint accuracy of the fighter pilots who have undergone several years of rigorous training. The supremacy in the air in fact stems from the constant state of readiness maintained by the pilots.

As rightly put up by Command Air Officer Commanding-in-Chief Air Marshal L. M. Katre these pilots 'are just like a computer' executing several works at a time. Even a slight error could prove fatal, he pointed out.

Besides regular exercises and drills, this particular Air Force station plays an important role in the maintenance operation — air lifting food, estates and other requirement to several army posts and guarding the frontier in the Himalayan ran-

ges. Another important task is the evacuation of soldiers who fall sick and need urgent medical attention.

This station is also equipped with the Base Repair Depot unit (BRD) taking care of the maintenance of aircraft — both transport plane and helicopters.

After a particular plane covers its requisite amount of flying hours or develops some engine trouble, the aircraft is sent for an overhaul. This process which usually takes over 8 to 9 months gives a new life to the aircraft, according to technicians of the department.

The press party was taken to various units of the depot equipped with latest electronic instruments for the intricate testing of aircraft instruments. The depot manufactures some of the equipment for the transport plane while larger components are usually imported from the manufacturing country.

An important air maintenance operation by this station is the paratropping of provisions and requirements to various destinations, mostly army posts. As these army posts are out of bound, it is normally the air force which supplies the essential items to them.

The press party was flown enroute to Leh to give a demonstration of the para-dropping operation. The aircraft, AN-12 of Soviet make, was laden with tons of various provisions attached to its conveyor belt, to be dropped at the chosen site.

Due to some flying operation being carried at Leh, the flight route was changed and the para-dropping was now to be done at a valley near the Indo-China border. The weather prediction was



'clear' and at 9:10 a.m. the transport plane was airborne. After travelling for about 10 minutes we approached the Shivalik range of mountains. And within the next few moments we entered into the thick of Himalayas.

The entire mountain range lay barren with no vegetation and no sign of life. At moments we flew so near to the mountains that it appeared we were just a hand distance away. We were then flying at a height more than 27,000 feet above the sea level.

Almost after 45 minutes, the plane gradually began to descend and we were told by the captain that the aircraft was approaching the dropping zone. A hubbub of activity ensued; the cameramen were being directed by the crew to a spot where they could click the camera and take the action photographs. Orders were being passed from within the cabin.

As we reached the spot, the crewmen supplied oxygen mask to each of us and slowly the cabin was de-pressurised. Holding concentrated oxygen mask, we hurriedly rushed to cabin gate. Soon the rear hatchet of the aircraft opened.

After completing four dummy rounds to reach to the actual dropping height the commander of the plane announced that the drop be carried out. As the green light in the rear hatchet lit up, the pilot tilted the aircraft nose upward for about 8 seconds

and within the twink of an eye several tonnes of goods fell down. For a brief spell, we lost sight of it but a little later white tumbrillas opened and the dropped goods slowly glided to their destination.

As the dropping was now over, the cabin was again pressurised and the plane changed its course for an inward flight to Leh. Slowly we crossed the Indus basin and signs of life appeared. We were told that the plane was about to land at the Leh airstrip.

Due to its rugged mountain the Ladakh area is inhospitable climatically and has poor means of communication. During the summer it is affected by monsoon and in winter by western disturbances. The temperature in summer usually touches over 30 degree celsius while in winter it drops to minus 30 to 40 degree. In short, it qualifies to be called a "cold desert".

These inhospitable conditions make life really difficult in the region. But for Air Force people it is part of their life and they live and continue their operation day in and out to keep vigil on the country's frontiers.

Besides this difficult air dropping operation is also a unit stationed at Leh which performs multifarious activities such as search and rescue evacuation of casualties, reconnaissance for Beacon and communication to remote and inaccessible areas and post.

## CORRESPONDENT VISITS EASTERN COMMAND IAF BASE

New Delhi PATRIOT in English 7 Oct 81 p 4

[Text]

## CALCUTTA:

**T**HE changing composition of personnel in the Indian Air Force remains obviously beyond the purview of a sociologist's pursuit. But it is certainly worthwhile to look at it outside the tendentious parameters. A short visit to an operational IAF base in the Eastern Sector with a view to getting an on-the-spot idea of four national caretakers in high altitudes round-the-clock was rewarding indeed in this regard.

Briefed at the outset by base Air Officer Commanding Air Commodore M M Sinha, we moved on to the actual spots. Sandwiched between lush green forests and a sprawling railway township, this base has proud record. It took its ceremonial birth in 1936 and since then has achieved many feats operationally in the historic events of 1965 and 1971 and also aided successfully the civil authorities during natural calamities.

The station is entrusted with different roles during peace and war. During peace time, one of the main functions of the station, apart from maintaining its operational readiness, is to conduct operational conversion training of fighter pilots at a conversion unit.

The training schedule is spread over a period in which the theoretical training on the type of aircraft is imparted first. After various forms of training,

which last for a long period, the pupil-officer is allowed to fly solo in a fighter aircraft. The under trainee pilots having been successfully trained, checked and examined as fighter pilots, are earmarked for absorption in transonic or supersonic operational squadrons.

Each pilot has a story to tell about his joining. A young trainee from a southern State said he once dreamt of being a bird, freely flying about in the charming sky. His dream came true.

Gp Capt V M Johri — an old guard — quipped that he was prevented from joining Air Force by his parents, but he was determined to get in. He came for the examination. Just a minute before the examination a telegram confirming a job in a commercial organisation came from his father. But he did not care for it. He was examined and declared fit for admission. He sent a telegram to his parents: 'Regret no civilian job. Joined Air Force'. Capt Johri's parents became happy later on learning his skills and performances. He proved himself right when he won a Vir Chakra in the last war against Pakistan.

Air Commodore Sinha and Capt Johri dispelled a notion that only persons belonging to affluent classes would join Air Force. They asserted that a large number of persons are now coming from middle class and lower middle class. Capt Johri recalled that in the past people who joined forces mostly belonged

to the affluent classes.

We were told that four to six years and Rs 4 crore are needed for training a combat pilot before he qualifies for front-line operations.

This base is called the 'Mecca' of fighter pilots since they come here and operate from this base to practise their marksmanship in the air. The aircraft used for such practice are not only the invincible Gnats, Hunters, the War Horse, Canberra, the 'Cobra' but MiG-21 series of aircraft as well.

We were awe-struck to see the unique feat of nose-diving to 2000 feet from above a height of 8,000 feet, while performing the practice range firing by rockets, napalm and guns at the firing range. The speed of the dive and take off thereafter was really breathtaking.

Will the reported procurement of more sophisticated fighter aircraft by a neighbouring country tilt the balance in its favour? A young pilot kept his fingers crossed, but said 'in a war machines would not alone bring the victory. It is the perfect combination of man and machine that paves way for glory'. During the Indo-Pak war, Indian Air Force personnel fought with Hunters and MiG-21 and did a splendid job though Pakistan had more versatile and superior weapons.

"Dedication, commitment, enthusiasm and above all the skill pay dividend during operations", remarked yet another senior decorated officer.

GROUNDWORK LAID FOR MERGER OF KASHMIR PARTIES

Bombay THE TIMES OF INDIA in English 8 Oct 81 p 5

[Text] Srinagar, October 7: Political circles here are intrigued by the reported statement of Dr Farooq Abdullah, president of the ruling National Conference, about the likely merger of his party with the Congress(I).

These circles point out that if Dr Farooq Abdullah has been quoted correctly, then the merger move would have far-reaching implications in the political life of this state.

So far all efforts towards this end have been frustrated by Sheikh Abdullah, who has made his views about local Congress(I) men known in no uncertain terms, and other hardliners within the National Conference.

Though no concrete step has been taken towards the merger of the National Conference with the Congress(I), Dr Farooq said in New Delhi yesterday that the groundwork was being done.

Among the positive factors that he listed were the recent visits to Kashmir of Mr Rajiv Gandhi, MP, and Mrs Indira Gandhi, which left the National Conference jubilant and the state unit of the Congress(I) despondent.

Observers here feel that the hardliners within the ruling party will resist any move for merger or even a tenuous affiliation with the Congress(I).

CSO: 4220/7196

## ALLEGED SPY NEW CUBAN AMBASSADOR IN DELHI

Calcutta THE STATESMAN In English 8 Oct 81 p 16

[Text]

NEW DELHI, Oct. 7.—Mr. Jose Perez Novoa, who was Cuba's Ambassador in Ethiopia (1976-78), and was reported by Western diplomatic sources as having been expelled from Addis Ababa for his connexions with intelligence activities, has been posted as Ambassador in New Delhi.

According to a report published in London's Daily Telegraph on September 28, Mr Novoa (36), was expelled from Addis Ababa along with his counsellor and the South Yemeni Charge d'Affaires, "when all three men were discovered to be embroiled in a plot to instal a Moscow-line Marxist in place of Colonel Mengistu at the head of Ethiopia's revolutionary regime".

The report said: "The attempted palace coup in Ethiopia closely followed the pattern of earlier KGB-orchestrated operations in South Yemen and Afghanistan to replace Left-wing leaders, generally sympathetic to the Soviet Union, with hardline Marxist-Leninists unconditionally loyal to Moscow.

"While Mengistu was travelling abroad in 1978, the Cubans and the South Yemenis conspired to smuggle one of his arch-rivals, Dr Nefeso Gobeze, who had been living in exile in Paris, into Addis Ababa. Dr Gobeze arrived on a false passport, supplied by the South Yemeni Embassy, and was picked up at the airport by the Cuban Ambassador's personal car, which whisked him away to Mr Novoa's residence.

"Mengistu, alerted by security officials, ordered a tough and immediate response. Ethiopian police surrounded the Cuban residency, threatening to break in unless Dr Gobeze were handed over. At the

same time, the Cuban Ambassador and his counsellor, Mr Francisco Rodriguez, were declared persona non grata".

The Telegraph article, headlined "The Intelligence War—Cuban Spy Chief In New Delhi" said: "The Indian Government pointedly snubbed the Americans by recently refusing to permit the U.S. counsellor from the Embassy in Kabul to take up an appointment in New Delhi. At the same time, the Indian Government has welcomed a new Cuban Ambassador identified by Western diplomatic sources as an expert in subversive operations, a member of the most rigidly pro-Soviet faction in the Havana regime, and a trusted confidant of the Soviet KGB".

The article mentioned how "President Sadat's clampdown on Soviet spy network in Cairo came on the eve of the 10th anniversary of the mass expulsion of 105 Russian intelligence officers from Britain on September 24, 1981". It said "some Western security experts are hoping that the Egyptian example may inspire other Governments to restrict the number of diplomatic posts that are available to the KGB as a cover for espionage and subversive operations. One of the most significant moves that Sadat made was to limit the size of the Soviet Embassy staff in Cairo to 41, equivalent to the number of Egyptians currently serving as diplomats in Moscow. The Egyptian Mukhabarat had obtained evidence that the Soviet Ambassador, Mr Vladimir Portievich Poljakov, was directly involved in a plot against President Sadat in which the key Egyptian figure was a former Deputy Prime Minister, Abdul

Salan Zayyat".

## GUIDELINES FOR TAKEOVER OF SICK UNITS ISSUED

Madras THE HINDU in English 7 Oct 81 p 9

[Text]

NEW DELHI Oct 6

Management of sick industrial units will be taken over under the provisions of the Industries (Development and Regulation) Act of 1951 for a maximum period of six months to enable the Government to complete the necessary formalities including legislation in the event of nationalisation.

This is among the policy guidelines announced here today by the Centre in respect of sick industrial units.

If the Government decides not to nationalise a sick unit, and no other solution is available for its revival, the matter will be dealt with in accordance with normal banking procedures.

**Package:** The Union Industry Ministry said the Government was also working on a package of measures to deal with the problem of industrial sickness.

A feature of the new guidelines is that the undertakings under management control attracting the provisions of the Industries (Development and Regulation) Act, will also be dealt with in accordance with the above principles.

It will be decided as soon as possible whether the undertaking is to be nationalised or other alternatives like merger with a healthy unit or restructuring can provide a solution.

If none of these alternatives are considered feasible, the Government may consider denotification of the unit and its return to the erstwhile owners. Banks and financial institutions will thereafter deal with the undertaking in accordance with normal banking procedures.

**Tax benefits:** The Government is also considering measures for simplification of the procedures relating to tax benefits under Section 72 (A) of the Income-tax Act consequent on the merger of a sick unit with a healthy one.

The other guidelines announced are:  
(1) The administrative Ministries have been assigned a specific responsibility for the prevention and remedial action in relation to sickness in industrial sectors within their respective charge.

(2) Financial institutions have been instructed to strengthen the monitoring system so that it is possible to take timely corrective action to prevent incipient sickness.

(3) The financial institutions and banks will initiate necessary corrective action based on a diagnostic study to be undertaken by them.

(4) Where the banks and financial institutions are unable to prevent sickness or ensure revival of a sick unit, the matter will be reported to the Union Government. The Government will thereafter decide whether the unit should be nationalised or whether any other alternative including workers participation in the management can revive the undertaking.

A decision to nationalise will be based on two main criteria — first that the unit can be made viable in a reasonable period of time and secondly that such a step is defensible in the public interest.

**Pivotal role:** The administrative Ministries have a pivotal role in monitoring sickness and coordinating action for revival and rehabilitation of sick units, where necessary they would work out

appropriate policy measures to meet the situation.

In suitable cases, administrative Ministries will establish standing committees for major industrial sectors where sickness is widespread. Such committees will not only review the extent of sickness and policy measures required to tackle the problem but also analyse problems of individual units showing signs of sickness.

The financial institutions will make arrangements for obtaining periodical returns from assisted units to monitor utilisation of loans and performance of individual units. Directors nominated on the board of sick units would also be required to submit periodical returns to the financial institutions.

The information thus obtained would be examined and analysed at a central point and made available to all financial institutions concerned with the sick units as well as the Union Government.

In case of growing sickness, financial institutions will also consider assumption of management responsibilities where they are confident of restoring the unit to a healthy state. The Government can also be approached for assistance in cases where rationalisation of labour strength, wages, provision of infrastructural support, etc. is required.

The Government policy on industrial sickness was announced in May 1978. This policy has been reviewed in the light of experience gained in its implementation during the last three years and the revised guidelines came in the wake of this review.

## RECORD NUMBER OF INDIANS VISITING PAKISTAN

New Delhi PATRIOT in English 7 Oct 81 p 7

[Text]

THE number of Indian citizens visiting Pakistan increased to a record monthly average of 9,570 during the current year as against the average monthly figure of 7,800 for 1980 according to a release by the Pak embassy in Delhi, reports UNI.

During the same period the number of Pakistan citizens leaving for India declined to 17,240 per month as against the monthly average of 18,073 in 1980.

The data compiled by the Pakistan immigration authorities indicates that consistently 12 per cent more Indian citizens enter Pakistan than the number who return. Thus from January 1979 to August 1981, a total 253,447 Indian citizens went to Pakistan but only 224,387 returned.

From January 1980 to August 1981 a total of 354,828 Pakistan citizens left for India while 357,961 returned to Pakistan.

Meanwhile, the Pakistan embassy has received a large number of letters from Indian nationals expressing appreciation and gratitude for the assistance rendered by the Government of Pakistan in obtaining the safe release of passengers and crew of the Indian Airlines plane hijacked to Lahore on 29 September the release said.

The Government of Pakistan discharged its duty under international law which provides the best guarantee for peaceful co-existence and friendly relations among states and their peoples the release added.

CSO: 4220/7193



## KASHMIR SEEKS INDUS WATER TREATY REVISION

New Delhi PATRIOT in English 7 Oct 81 p 4

[Text]

**THE Jammu and Kashmir Government has sought revision of the Indus Water Treaty between India and Pakistan reports UNI.**

Official sources said the revision had been demanded to enable the State to use more waters of the rivers covered under the treaty for power generation, and irrigation.

Representatives of the State Government had raised the issue with the Union Government during the Irrigation Ministers' conference in Delhi last week.

Union Minister of State for Irrigation Z R Ansari will visit Jammu and Kashmir in a fortnight to discuss the matter with the State Government, the sources said.

The Indus Water Treaty, signed between India and Pakistan on 19 September 1960, allows India to exclusively utilise the waters of Ravi, Sutlej and Beas rivers flowing through its territory to Pakistan.

In turn, Pakistan has been given the right to use exclusively the waters of Indus, Jhelum and Chenab rivers which flow through the territory of Jammu and Kashmir.

**POWER, IRRIGATION**

The State Government feels that a vast chunk of unirrigated land in Jammu division can be turned into irrigated area by utilising the waters of Chenab. Similarly, waters of Indus and Jhelum in Kashmir division can be harnessed to produce electricity in the State.

Some time back Works and Power Minister of the State G M Shah had said that 5000 MW of power could be produced in the State, if the capacity of all these rivers was utilised, against the present installed capacity of 150 MW only.

Already the massive Salal hydro power project in Jammu is being built up to utilise the waters of river Chenab for power generation. This is the only project of its kind in the country based on "dead storage" so that the flow of water to Pakistan is not obstructed.

The Indus Water Treaty has the provision to allow utilisation of waters for non-consumptive purposes such as power generation.

## PROCEDURE TO VERIFY UNION MEMBERSHIP ANNOUNCED

Calcutta THE STATESMAN in English 8 Oct 51 p 1

[Text]

NEW DELHI, Oct. 7.—The Government has announced a new procedure for verification of membership of central trade unions, reports UNI. The last verification was done in 1948.

The trade unions, unable to agree on a procedure to verify membership claims all these 13 years, had left it to the Government to take a decision.

The Labour Ministry, which finalized the procedure on the basis of discussions held with union leaders, has informed the trade unions about it. The membership figures for 1950 would be worked out according to the revised procedure.

A significant change in the procedure involved is that if any trade union fails to submit its claimed membership list, it will be compiled from the records of the Registrar of Trade Unions and circulated to all organizations.

Organizations, which fail to file their membership lists, would not be eligible to raise objections against the claimed lists of other trade unions.

According to the new procedure,

the central organizations will be asked to submit their claimed membership lists, as in the past on December 31 of the year to which the verification relates. These lists will be circulated to other organizations, which have submitted their claimed lists, for raising objections.

The objections received against the claimed list or compiled from registrar's will be considered by the Chief Labour Commissioner, who will make corrections, if necessary.

If the final decision of the Chief Labour Commissioner are not acceptable to any organization, the dispute will be resolved by comparing the objections of others and with due alterations in details.

The membership figures so finalized with their State-wise and industry wise break up will be circulated to all organizations and will form the basis of their representation. This procedure will be in force until it is replaced by a new one by the Indian labour conference.

CSO: 4220/7197

## PROGRAM TO STEP UP USE OF FERTILIZERS PLANNED

New Delhi PATRIOT in English 7 Oct 81 p 5

[Text]

A drive will be launched to encourage greater use of fertiliser during the 1981-82 Rabi season in order to boost foodgrain production and reduce dependence on imports.

The target of foodgrain production for 1981-82 is 138.5 million tonnes which is 5.5 million tonnes higher than that of 1980-81. Agriculture Ministry officials say that over 80 per cent of the targetted increase will be possible by greater consumption of fertiliser nutrients. According to an estimate, application of one tonne of fertiliser leads to production of an additional 10 tonnes of foodgrains.

Steps are being taken to ensure that the consumption of fertiliser touches 41.61 lakh tonnes during the 1981-82 Rabi season. This will be about 25 per cent more than the actual consumption of 33.78 lakh tonnes during the previous Rabi season.

According to official sources, there is no dearth of fertiliser. Its indigenous production has gone up by about 50 per cent — from 10.41 lakh tonnes during April-August 1980 to 15.59 lakh tonnes during the same period this year.

Besides 28.92 lakh tonnes were imported during February-August this year as against 24.53 lakh tonnes last year.

Agriculture Secretary S P Mukherjee, who has already held discussions with the representatives of the Governments of Punjab, Haryana, Jammu and Kashmir, Himachal Pradesh, Uttar Pradesh and Madhya Pradesh, has sounded them about the proposed campaign and the need for greater use of fertiliser so as to augment foodgrain production.

It has been decided to despatch one lakh tonne of Diammonium Phosphate to Punjab.

Discussions have been held with the Reserve Bank authorities also to persuade them to increase credit facilities for distribution agencies and farmers at lower rate of interest.

It is estimated that the minimum requirement of fertiliser during the current year will be to the tune of 65.22 lakh tonnes. During the current Kharif, the actual consumption had been 23.61 lakh tonnes despite drought and floods which was 10.43 per cent higher than the actual consumption of 21.38 lakh tonnes during the 1980 Kharif.

CSO: 4220/7193

## PUNJAB SCHOOL APPROVES NEW WHEAT VARIETY

New Delhi PATRIOT in English 7 Oct 81 p 4

[Text]

MOGA, Oct 6 (UND) — The Punjab Agricultural university has approved a new wheat variety DWL 5023, for cultivation in the State which is particularly resistant of the Karnal Bunt.

According to Punjab University scientists, the new variety has been recommended for cultivation before 15 November and its average yield is 22 quintals per acre as compared to the previous recommended variety of W 711 with an average yield of 21 quintals per acre.

This was announced here today by PAU scientists Dr R S Dhalliwal, J S Brar, K S Khosla and M S Gill while addressing a Rabi training camp for farmers of Moga sub-division organised by Punjab agricultural department.

The camp was organised to acquaint farmers with the latest agricultural techniques to boost production. They stated that PAU has also recommended new gram variety GL 769, which is disease resistant and has an average yield of 7 quintals per acre as compared to previous best variety GL30 with average yield of 6 quintals per acre.

Agriculture expert Jaswant Singh Kholhar inaugurating the camp advised farmers to use the best quality seeds as recommended by agriculture department and PAU scientists and to use the recommended dosage of fertilizers to achieve maximum production of Rabi crops.

He said arrangements for the availability of fertilizers have been made and there would be no shortage.

CSO: 4220/7194

## SHORTFALL IN AUTUMN HARVEST REPORTED LIKELY

New Delhi PATRIOT in English 8 Oct 81 p 5

[Text]

**T**HE main foodgrain-surplus states of Punjab, Haryana and Uttar Pradesh as also states like Bihar and Rajasthan, expect a shortfall in Kharif production this year, reports UNI.

While recent rains have improved the crop prospects, the target of 83 million tonnes set for the Kharif season is not likely to be reached according to a UNI survey.

The overall prospects in other States are satisfactory. Andhra Pradesh, Orissa, and West Bengal, are among the States which are expecting a bumper harvest.

The survey shows that the prospects of pulses, groundnut, sugarcane and cotton are particularly good.

The main problem in the northern States this year was the prolonged dry spell during the critical stages of crop growth. Provision of irrigation reduced the losses in paddy crop. While there were some complaints about availability of power in a few places, the supply of diesel was stated to be satisfactory in all States.

There have been no reports about any serious disease problems.

Following are the reports received from the state capitals:

**Andhra Pradesh:** According to the State agricultural director, the Kharif prospects are good and if the weather continues to be favourable, the State may reach the 1978 record production of 107 tonnes. Farmers get adequate supply of power and diesel. The State Government has taken up special programmes like plant protection and pest surveillance programmes and the minimum

yield guarantee scheme.

**ASSAM:** An official spokesman said the floods damaged five per cent of the standing crops while rains were delayed in about six lakh hectares out of a total area of over 16 lakh hectares under cultivation. There was no scarcity of power or diesel for irrigation.

**BIHAR:** Against a target of 74 lakh tonnes of foodgrains production is not likely to exceed 69.25 lakh tonnes the shortfall being due to excessive rains floods and lack of rains in some pockets.

The loss in rice crop is estimated at one lakh tonnes and that of maize 3.5 lakh tonnes. However, officials feel the situation is 'not bad' this year. Fertiliser consumption has shown an increase. There is virtually no problem of pests or diseases in the paddy crop.

**GUJARAT:** The prospects of Kharif crops are bright following satisfactory rains. There were no scarcity conditions in most of the districts. The State Government sanctioned Rs two crore as subsidy for groundnut farmers for supplemental irrigation.

**HARYANA:** Rice target for this season is 13.90 lakh tonnes against which the expected production is 10 lakh tonnes. The targets for other crops and the prospects in brackets, are: bajra five lakh tonnes (2.25 lakh tonnes), pulses 40,000 tonnes (20,000 tonnes), maize 70,000 tonnes (65,000 tonnes). Supply of canal water and power for running tubewells was stepped up to meet the irrigation requirements following failure of rains for long periods.

**JAMMU AND KASHMIR:**

The prospects of Kharif crops are bright. There is an increase in the area under high yielding varieties.

**KARNATAKA:** Kharif prospects are bright following widespread rains. Even scarcity areas such as Kolar district received heavy rains.

**KERALA:** The rice production is expected to be good, but for the heavy rains in the first week of September.

**MADHYA PRADESH:** The condition of crops is 'satisfactory'. Against a target of 43 lakh tonnes of rice, production is expected to be 34 lakh tonnes. Kharif pulses and coarse grains may not be much behind the targets. The rain deficient areas in the State are Sagar, Bhind, Morena and Gwalior. The September rains have helped in mitigating the adverse effects of deficient rainfall.

**MAHARASHTRA:** Scarcity situation was prevalent in pockets of Nashik, Ahmednagar, Bhir and Aurangabad districts due to long gaps in rainfall, but adequate rains were received in the third week of September to improve the situation. The rains have not only helped the Kharif crops but also increased the prospects of Rabi crops. The State has taken up a special programme to step up oilseeds production.

**ORISSA:** A fairly good kharif crop is expected this year despite late rains in the initial stages. Official sources said the targeted

43.54 lakh tonnes of rice for this season would be reached. Good rains in August and September have improved prospects of crops in otherwise scarcity hit pockets. The minimum yield guarantee programme is in progress in two lakh hectares.

**PUNJAB:** The condition of standing paddy crops is stated to be generally satisfactory. The crop loss due to deficient rainfall is likely to be 10 to 20 per cent.

**RAJASTHAN:** The entire State faced scarcity of rains. Life saving irrigation is being provided wherever possible. There is no problem of diesel for pumpsets.

**TAMILNADU:** The area under Kharif rice has fallen due to late release of water from Mettur reservoir irrigating the Tanjavur-Tiruchirappalli delta and failure of rains in other districts. The rice yield this season is expected to be lower than the target. The area under coarse grains and pulses also has come down.

**UTTAR PRADESH:** The Kharif prospects are grim due to severe drought in Agra, Meerut, Bundelkhand and parts of Moradabad and Allahabad divisions. Uninterrupted power supply was available to farmers to save their crops in some areas.

**WEST BENGAL:** The Government is expecting a bumper crop during the current agriculture year thanks to fairly normal rain fall till the second week of September. There was some deficiency only in the district of Purulia.

## SOVIET TO ASSIST IN JHARIA COAL EXPLOITATION

Calcutta THE STATESMAN in English 8 Oct 81 p 3

[Text]

NEW DELHI, Oct. 7.—Soviet experts will prepare a conceptual report for the exploitation of coal reserves at the Mukunda mine in Jharia coalfield, with an annual capacity of 12 million tons of prime coking coal required by the steel plants, reports UNI.

This is envisaged in the new protocol signed between the two countries at the conclusion of a meeting of the Indo-Soviet working group on cooperation in the coal industry in Moscow last week. The Indian team was led by Mr R. P. Khosla, Additional Secretary in the Department of Coal, and the Soviet team by Mr V. V. Beliy, First Deputy Minister of the Coal Industry.

A team of Indian experts will visit the Soviet Union in January to discuss the conceptual report to be prepared by the Soviet side. During the Moscow discussions the two sides decided to discuss the conceptual report to ensure that the technology proposed to be adopted in the Mukunda mine was suitable for the specially difficult mining conditions there, according to an official release issued here today.

It was also decided that Soviet experts would assist in the preparation of a master plan for exploitation of the Talcher coalfield in Orissa which contains vast reserves of coal, suitable for power generation. A similar master plan was prepared by Soviet experts for the exploitation of the Singrauli coalfield and individual mines are now being developed in accordance with this master plan.

Another major project discussed at the meeting was the development of the Nigahi opencast project in Singrauli coalfield

which will have an ultimate capacity of 14 million tons of coal. This will make it the largest opencast mine in the country. The super thermal power station which is linked to this mine is also being put up with Soviet assistance.

It was decided that the Soviet side would ensure that the schedule of development of the mine would match with the schedule to the commissioning of the power station. The Soviet side will provide designs for two major shafts to be sunk into the underground Janjhara mine, now under construction with Soviet assistance.

In the field of equipment supply, it was decided that to overcome some of the problems, including timely procurement of spares being faced by the Indian coal industry, two nodal agencies would be appointed by the Soviet side, one for the supply of spare parts for underground mining equipment and the other for supply of spare parts for opencast mining equipment.

It was also agreed that Indian specialists, workers and supervisory staff would be trained in the Soviet Union on the maintenance and repair of opencast equipment. Indian miners would also be trained on mine planning and the use of computers and the technology of shield method of mining—which is being introduced in the Makum coalfield in Assam with Soviet assistance.

The coal seams in the coalfield are vertical and cannot be easily exploited by conventional methods. The Soviet experts have already submitted a scheme for the exploitation of these deposits and this has been approved by Coal India for implementation.



## PROBLEMS OF ROURKELA STEEL PLANT EXAMINED

New Delhi PATRIOT in English 7 Oct 81 pp 1, 7

[Third of a series on Indian Steel Authority plants]

[Text]

**ROURKELA:**  
**I** HAVE learnt to live with the bad quality of coal. But I wish they were consistent even in their bad quality of the fuel", wails managing director N S Datar.

The sharp variations in the ash content and composition of coking coal, an essential ingredient in the making of iron, have seriously affected the functioning and life of the blast furnaces where iron ore is reduced. It entails frequent chemical uncertainty in the quality of steel in the converters where iron is refined, so to say, by oxidising its impurities and leaves its imprint often on the financial products.

For SAIL's most prosperous unit which is unique in having its own full fledged fertiliser plant and waiting eagerly for its cement factory to convert its waste gases and slag heaps into essential and lucrative products on a major scale, the quality of inputs, the power shortages and the piccadillos of the railways become even more crucial.

And presently when the plant is on the verge of a sizable expansion and modernisation—the final decision is expected to be given by the Government shortly—the dependability on others becomes crucial. As Mr Datar says, iron ore, though the mother

of iron and steel becomes only a minor ingredient in the successful and profitable production of steel with power and transportation taking the top positions.

For Rourkela where innovations in blast furnace running have helped overcome the drawbacks of the high ash content in Indian coking coal, the fall out has had a major effect on the captive fertiliser plant which was supposed to use the waste coke oven and blast furnace gases. Because of gas shortages and its quality, the plant is now almost solely dependent on imported naphtha and with a further expansion of the fertiliser unit underway, the dependence has increased. It is hardly a by-product utilisation unit now and has totally negated the principles on which it was set.

Not that Rourkela has succumbed to the pressures of bad coal and poorer power supply. Apart from the expansion schemes awaiting the go-ahead, the plant has made a breakthrough in special silicon steels which have a high marketability in the country.

According to Mr Datar despite all the shortcomings, the plant has been performing extremely well and earned a profit of Rs 47.55 crores in 1979-80. The final

profit in 1980-81 is expected to be over Rs 14.5 crores despite the terrible power cuts of that year and the cumulative profit tentatively stands at Rs 172.95 crores.

The profits of the 1980-81 were lower than in the past, says Mr Datar, because the plant chose to utilise the periods of the power breakdown to undertake major revamping work on the hot strip mill.

Though the plant has been making profits its absolute production has declined considerably since the peak of 1976-77. In 1980-81, the ingot production was 11.65 lakh tonnes which had come down from the peak of 15.03 lakh tonnes of 1976-77. The plant utilisation of capacity also declined from the high mark of 83.5 per cent five years ago.

In saleable steel, the production in 1980-81 came down to 9.85 lakhs from the 11.77 lakh tonnes of the high mark in 1977-78 and the productivity from 96.2 per cent in 1977-78 to 80.4 last year.

Founded in the mid fifties with West German collaboration the Rourkela plant has many distinctions. It is the first public sector plant of SAIL, the first to adopt the LD converter technique of making steel in the country and a major producer of flat product. Its recent inno-

vations are the massive silicon steel plant for cold rolled grain oriented or electrical steels now coming up with the collaboration of Armco of the US and the advanced vacuum metallurgy and hot metal desulphurisation unit.

According to Mr Datar, even on the present infrastructure, it is possible to expand the capacity of the plant from the 2.5 million stage (from the current 1.8 million tonnes of ingot after modernisation) to up to 4 million tonnes on the lines of Bokaro and Bhilai at substantially lower costs per tonne of steel produced.

Sufficient area, he says, is available in the plant and it should be possible to set up two high speed batteries of eight ovens for making coking coal, a single strand sinter machine, a 2000 cubic metres volume blast furnace, a 250 tonne LD steel converter and facilities for continuous casting and wide hot strip mill.

For the current modernisation and 'marginal' expansion to 2.5 million tonnes capacity, the original manufacturers of the LD and other units, Voest Alpine of Austria have carried out detailed studies. An Indian consultancy firm prepared the detailed plans which were discussed with the FDR and companies in Austria, and West Germany, includ-

ing Krupps. After the discussions, a consortium was formed called 'consortium Rourkela' and a proposal sent in March 1980 covering the modernisation scheme at an estimated cost of 1.6 million German marks. German experts came to the plant and have submitted their reports.

Under the modernisation plan, the things envisaged are the incorporation of the latest technology in blast furnaces, having a new blast furnace (and re-vamping the old ones at the rate of one every year), improvements in the steel melting shop apart from marginal modifications in the rolling and slabbing mills. Improvements in the sintering plant and the ovens are also envisaged.

The hot strip mill is already being modernised with additional boilers to consume the entire 2.5 million tonnes liquid steel in the plate and hotstrip mills.

The current item of pride for the plant is obviously its Rs 150 crore high silicon electrical steel unit which is nearing completion. Electrical steels are specially developed for use in large capacity motors, generators and transformers. The steel, in various specification widths and thicknesses, will be marketed in full width coils, slit coils and sheets. Finishing line facilities have been provided to cover ranges of 0.27 to 0.70 mm thickness, 600-1060 mm width and 900-4000 mm lengths for the cut sheets.

- Another prestige product is the ERW and spiral welded pipes which are used in the oil industry and now are getting popularity in civic water supply undertakings. The plant also produces rolled slabs for re-rolling, hot rolled coils, tinplates, galvanised sheets and cold rolled sheets and strips.

Although Rourkela's experience with its captive fertiliser plant has not been very happy, despite the profits, because the plant has to be treated as a naphtha-based unit instead of the by-product utilisation facility it was supposed to be, the SAIL unit is going ahead with a cement project to cash in on the tremendous quantities of slag it produces and its own limestone mines.

The feasibility report of a 1.67 million tonnes annual plant based on blast furnace slag at a cost of Rs 113 crores has been made ready. Both Rourkela and Bhilai produce 27 lakh tonnes and 5.40 lakh tonnes of dry slag. The project envisages a clinkerisation plant at the limestone mines at Chilhati and a slag grinding plant at Rourkela which will handle both its own and Bhilai's slag. The completion time is 36 months.

According to the project reports, if the import content is maximised, the cost may go up by another 4 crores to a total of about Rs 117 crores but the completion time will be shortened by six months. The cost per tonne of annual installed capacity will then work out to Rs 508.

## WRITER FORESEES LITTLE CHANGE IN STEEL SITUATION

Bombay THE TIMES OF INDIA in English 7 Oct 81 p 9

[Third of a series: "Problems and Prospects in Steel"]

[Text] New Delhi, October 6. To expect any spectacular change in the national steel scene in the near future will be wishful thinking.

Ministerial claims that we have moved away from the era of shortages into an era of plenty are no more than hyperbole.

Neither the blowing of its own trumpets by SAIL nor repeated official assurances about a significant increase in coal production, power generation and wagon movement can hide the harsh realities of the present situation.

We are still dominated by a regime of shortages--in power, coal and wagons. The steel "glut" in the market is simply the result of indiscriminate imports.

True, steel production has shown an upward trend since last October. However, given the infrastructural constraints and the existing capacity in steel, there is a severe limit to any further improvement.

The five integrated steel plants under SAIL boast a total installed capacity of 9.4 million tonnes of ingots. TISCO and mini steel plants in the private sector together have a capacity of five million tonnes. Salem, also under SAIL, does not produce any steel but only rerolls stainless steel bands into sheets and strips.

## Expansion Plan

Of SAIL's five plants, Bokaro and Bhilai are in the process of expansion from 2.5 million tonnes to four million tonnes each. Bokaro expects to complete this expansion programme by the end of 1982-83. Its further expansion to 4.7 million tonnes is scheduled to be completed in 1987-88.

The expansion programmes at both plants have been affected by serious slippages owing to delays in the supply of equipment and execution of civil and structural works. The delays have pushed up the cost of Bokaro's expansion from Rs 947 crores to Rs 1,279 crores and that of Bhilai from Rs 937 crores to Rs 1,422 crores.

Construction work of the new plant at Visakhapatnam has just started. The plant will have a capacity of 3.4 million tonnes when in full operation. In the first stage, to be implemented in 1985-86, its capacity will be 1.5 million tonnes and in the second phase, (1987-88) 2.25 million tonnes.

A decision to set up a short-based plant at Paradip in Orissa with British collaboration and a capacity of five million tonnes was announced two weeks ago and it will be some time before work on it is begun.

At Rourkela, fresh capacity is being installed to manufacture special sheets required by the electrical industry. Besides a wide range of steel products, Rourkela produces nitrogenous fertiliser. A proposal to set up a cement plant by utilising the granulated slag available from the plant is under the government's consideration.

Captive power units for Rourkela, Bokaro and Durgapur are in the process of installation. Rourkela will have a 120 mw set. Bokaro will have three more sets of 60 mw each by the end of 1983, while Durgapur will have two sets of 60 mw each--the first one in September, 1982, and the second after six months.

The power units have also been affected by cost escalations. Bokaro's three sets would now cost Rs 106 crores against the original estimate of Rs 76 crores. Durgapur's two sets would cost Rs 81 crores against Rs 55 crores.

The alloy steel plant at Durgapur has been expanded from one lakh tonnes in 1.6 lakh tonnes. A demonstration sponge iron project with a capacity of 30,000 tonnes a year at Kothagudem (Andhra Pradesh) was commissioned last December.

Of other recent developments in steel, Bhilai has developed a new micro alloy steel known as "SAIL-MA" which is expected to yield significant technological and economic benefits.

Taking into account the expansion and new programmes, our capacity in steel will go up from 9.4 million tonnes today to 12.4 million tonnes by the end of 1983-84 and to 16.5 million tonnes by the end of 1987-88.

The demand for steel is bound to go up too, though by now, much will depend on the tempo of construction activity and the general health of the national economy.

On a rough reckoning, it will be necessary to create additional capacity in the immediate future. Since long gestation periods are involved, new steel plants must be planned now and a decision on foreign collaboration, if necessary, taken as soon as possible.

The proposal for a steel plant at Vijayanagar (Karnataka) has been under consideration for more than decade. It is high time that a decision is announced.

#### Foreign Collaboration

The government could have followed the 1980's example when all foreign offers of collaboration (West German, British and Soviet) were accepted to set up three plants instead of the original proposal for one plant.

Since British collaboration has been chosen for Paradip, the plant at Vijayana-gar could have been given to the West German Demag company which also bid for it.

Long-term perspective planning in steel needs to be accompanied with a choice of the right kind of product mix and fair pricing policy to avoid duplication in production and allow the plants a chance to earn a reasonable return on invest-ment.

The selection of the best possible foreign collaborator and the most appropriate technology needs hardly to be emphasised. Once the plant has been commissioned and its top executives selected on merit, there should be minimal interference by the government or by politicians at the Central, state or local level.

Constant outside interference in production patterns or recruitment of personnel can only have an adverse effect on plant management and productivity.

The productivity situation is not altogether a happy one. Durgapur has acquired a certain notoriety in labour unrest. Though the other plants boast of compara-tive peace on the industrial front, the simmering discontent in the work force is undeniable. Many local trade union leaders have no hesitancy in fishing in troubled waters for their own ends.

The multiplicity of trade unions in the plants is a cause for anxiety and concern to the management. Bokaro takes the cake here; it has as many as 62 unions of which 37 are registered though only one is recognised.

Social welfare programmes are a commendable feature of the public sector. The facilities for housing, education and medical aid and the comparatively high wages of workers create "islands of affluence" of which the benefits percolate to the neighbouring areas. The growth of ancillary units around a steel plant creates additional job opportunities and adds to the purchasing power of the people.

Under an innovative scheme operated unofficially at the plants, the widow of a worker who has just died in an accident or from natural causes gets a lumpsum of Rs 35,000 to Rs 40,000, with each employee voluntarily contributing Re 1. This is in addition to the benefits due to the bereaved family from the plant management.

A visit to steel plants spread in different parts of the country and involving long journeys by several modes of transport can be very taxing physically. But travel by rail and road does provide a glimpse of the countryside. One was shocked by the extent of poverty all-over--whether in Salem in Tamil Nadu or Bokaro in Bihar. Half-clad and ill-fed men, women and children, their dark and lean bodies exposed to the sun met us everywhere.

On the train journey from Calcutta to Bokaro and Rourkela, we came across scores of children with baskets in hand lined along the track before the crack of dawn to pick up the coal blown off from the engine. At one place, three armed policemen travelling in the train jumped out to chase half a dozen boys and girls.



## REPORTER TELLS PLANS FOR BHILAI STEEL PLANT

New Delhi PATRIOT in English 8 Oct 81 pp 1, 7

[Fourth of a series on Indian Steel Authority plants]

[Text]

## BHILAI:

**B**HILAI hopes to keep its dates this time. For the gigantic steel complex, a symbol of Indo-Soviet cooperation and the star of Jawaharlal Nehru's strategy to make India jump a generation gap in industrial might, it has been a very traumatic five years of delays, cost escalations and setbacks in production. The official claim is that the period of trials is over.

According to managing director N R Mitra a high-power team of Soviet experts is coming to town shortly to initiate action on the scheme to modernise the plant and help it reach an additional capacity of 1.5 million tonnes. This capacity, to be generated through upgradation of the existing technology and improved plant functioning will be over and above much delayed expansion project to bring the existing 2.5 million tonnes capacity to 4 million ones.

There have been much delay in both the modernisation and expansion projects, which were to go concurrently. Newsmen who visited the plant sites did see considerable activity and engineers were quick to assure that come hell or high water, they would finish the job on time. — if their contractors, machine suppliers and electricity people co-operated.

The Soviet team's visit is under the BTEC agreement (basic techno-economic considerations) agreement of five years duration, signed with the Soviet Union which helped set up the plant in the first instance. The agreement calls for upgradation of technology at various levels in the plant and also improving the capacity and efficiency of existing units.

In cooperation with the Centre for Scientific Research in Ferrous Metallurgy of the USSR, Mecon and the R and D centre have identified areas for technology upgradation. The scheme has been divided into three phases.

The first phase, to be completed by 1982, calls for improving existing technology in the various units of the integrated steel plant. The second phase, scheduled for completion by 1984 seeks induction of new technology and the third phase for 1988 dwells on the modernisation of the processing mills and machinery. A total of 48 facets for taking up in the plan have been identified, and for the 14 of them scheduled for the first phase, the perspective planning laboratory equipment and detailed working schemes will be devised by the Soviet team's cooperation. The costs are to be worked out.

The major thrust will be in improvement in coke consumption in the blast furnaces and part re-

placement of coking coal with inferior grade of coals. Already experiments have been done by injecting coal dust and lime in one furnace. Also steps are envisaged for a decrease in the consumption of fuel and refractory materials.

Another aspect of the modernisation will be to convert the present open hearth furnaces turning molten iron from the blast furnaces into steel by double heat furnaces.

For the general expansion of capacity, the plant is adopting the reverberation system. The hot plate mill, which will roll extra large thick sheets, will be ready first. It will initially roll ingots and slabs procured from Bokaro till its new blast furnaces and steel converters are ready with their continuous casting system.

The project for this expansion of capacity from 2.5 million tonnes to 4 million tonnes was first talked about in 1966 and since then, the sanctioned costs of Rs 937 crores on 1974 prices have escalated to Rs 1450 crores.

The delays were not of Bhilai's making though in recent months, the Soviet technicians have complained that the Hindustan Steel Construction Limited underlaying the civil works, is not putting enough men on the

job. (HSCL has suffered from strikes and refusal of its labour force to go to project sites after their work at one place is over. State Government insistence that large numbers of local people be recruited and construction workers' demands of absorption in the regular steel plants have added to the complication).

The managing director refused to comment on these issues saying that he would not discuss project management with the press. He however claimed that work was now progressing on schedule.

The project delay has an interesting history.

It was in April 1966 that the first techno-economic report on the expansion from 2.5 to 4 million tonnes was proposed envisaging, as one of three alternative schemes, the installation of a new stream comprising LD converters, continuous casting units and a heavy plate mill. The CEDB, now known as MECON, prepared its report in February 1970 and in April 1971, the Steel Ministry asked them to prepare a DPR.

A delegation visited the Soviet Union in December 1971 to assess the availability of equipment and in April 1972, a Soviet team came to India and a protocol was signed. The same year representatives of the Bhilai Plant, HEC, the Soviet firm Gipromex and CEDB agreed to a schedule to complete the work by December 1976 and commission the units by June 1977. Site levelling work started in July 1972.

The data from the Soviet Union, scheduled for delivery in October 1972 came two months later, and by March 1973, the second instalment was received. The USSR also suggested that

the continuous expansion be carried forward to 7 million tonnes. Discussions were held, and construction stopped pending a decision by the Government.

There was no activity for two years. In February 1973, the Planning Commission envisaged delays and recommended a reduction in the outlay. In April 1975 the plant reassessed the schedule and assuming that funds would be available, fixed late 1981 as the completion date after discussions with MECON, HEC and HSCL. Meanwhile, work slipped rapidly with slippages in civil works, structural fabrication and erection (mostly HSCL and Jersop and Braithwaite) and equipment supplies (from HEC, MAXC, GRSE, Jersop, Braithwaite and the Soviet Union).

Activities gathered speed only late last year. According to Mr. Mitra in the gigantic plate mill complex, the erection of mechanical equipment has been nearly completed and individual machines are to be tried out. The first phase of the plate mill may start functioning towards the end of the year.

In services, the process of commissioning the first turbo generator set in the new plant has been completed with tests on the boiler which will be in this month. The main step down transformer is now ready to receive power from the Madhya Pradesh Electricity Board and in the oxygen plant, an air compressor and air separation unit are ready for trial runs. Work is being intensified in the steel converter shop, continuous casting and ancillary systems.

Site work has also started on the seventh blast furnace. The second sintering plant has been completed and the second machine shop is already operating.

ing.

The gigantic nature of the task can be gauged from the fact that 12 crore cubic metres of earth was to be removed of which 1 crore cum has been done. In concreting, 11.65 lakh cum work out of a total 13.84 lakh cum has been completed. In structurals, 84 thousands out of the 1.33 lakh tonnes has been installed and 44 thousand tonnes of 1.47 lakh tonnes of mechanical equipment put up. The electrical work has been completed to an extent of 25 per cent.

In production, Bhilai has a much happier story to tell. Producing rails and heavy structurals for the Indian Railway P and I beams, rods, construction steel and wires, apart from billets and blooms for re-rolling mills. Bhilai, despite continuing shortages, produced 6.91 lakh tonnes of saleable steel in the first five months of this financial year exceeding the target by 16,000 tonnes. Its production record of this year shows that it exceeded the targets in ingots rolled (8.4 lakh tonnes) and saleable steel (6.91 lakh) and reached 99 per cent of the target in ingot steel, producing 8.07 lakh tonnes. The sintering plant created a record as did the rail and structural mill which produced a record 2,228 tonnes of 250 mm beam on a single day, 18 July 1981.

Bhilai has also produced a micro-alloy steel called SAIL-MA which was rolled into a 250 mm beam on an experimental basis. The plant is also procuring ingots from Durgapur — 23,000 tonnes so far—for further rolling.

To cope with the needs of its expanded plants, Bhilai has launched a training scheme for its technicians and is also expanding its housing facilities in the township.



## BOKARO STEEL PLANT LOSSES REPORTED GROWING

New Delhi PATRIOT in English 6 Oct 81 pp 1, 7

[Second of a series on Indian Steel Authority plants]

[Text] Bokaro: The Steel Authority of India's biggest steel plant at Bokaro is in a financial fix. Like Bhilai, its expansion programme for 4 million tonnes capacity has overshoot the target by upto four years and upto a 50 per cent price increase because of shortages and delays in supplies.

And despite record production in ingot and saleable steel in the existing facility, the Soviet-aided plant has already incurred a Rs 1 crore loss this year, which may go up to Rs 10 lakhs by the time the year ends because the plant is forced by the joint plant committee to keep its plates and sheets at a low control price despite a sharp escalation in costs. Out in the market, other plants, including many medium ones which buy the half-finished material from Bokaro at subsidised price, give it a finish and sell it, are making huge profits.

Managing director D. R. Ahuja told visiting newsmen that the plant was making marginal profits on its cold rolled products, but has had to peg production because of a slump in the market and large imports.

And as if that were not enough at least the Bokaro plant is faced with an alarmingly low level of raw material stocks even for its current 2.05 million tonnes of ingot and 1.6 million tonnes of saleable steel target.

The target fixed by SAIL for ingot steel is 122 per cent higher than the production of last year, and for saleable steel as much as 90 per cent higher. The low production last year is put to the very low power supply from the Damodar Valley grid. With improved power supplies this year, production has picked up according to Mr Ahuja.

Mr Ahuja told newsmen that Bokaro produced 71.7 lakh tonnes of ingots and 5.7 lakh tonnes of saleable steel between April and August this year, which was about 92 per cent of the plan. The power crisis, though less drastic, continued and the captive power plant alone had managed to stave off production losses.

However, the supply of raw materials is causing grave concern specially of iron ore mines, blast furnace grade limestone and steel melting shop grade limestone which are 50,000, 14,000 and 8,000 tonnes respectively. There are ample stocks at the captive mines at Kiriburu, Bhawanthpur and Kuteshwar, but no railway wagons

are available for transporting them to the plant. In coal, the plant continues to suffer from high ash content which sometimes touches over 21 per cent. The supply position is becoming worse with the fifth coking coal oven battery part of the 4 million tonne expansion scheme, also going on stream.

Bokaro, about 50 km from Dhanbad in the mineral rich area of Bihar, was chosen as a steel plant site in 1956. Built with Soviet assistance, it had an installed initial capacity of 1.7 million tonnes of ingot steel to be rolled into 1.35 million tonnes of saleable steel in the form of hot and cold rolled plates, rolls and sheets and 8.85 lakh tonnes of foundry grade pig iron.

When it was built, the massive complex, one of the biggest in the world, marked a major turning point in the Indianisation of the country's industrial infrastructure. While the initial stages of the Rourkela, Bhilai and Durgapur plants were turn-key projects with most of the equipment imported, in Bokaro, a large percentage of materials and most construction was from local sources.

With the commissioning of the third blast furnace, the first stage of the 1.7 million tonnes was completed in February 1978. The work on the expansion of the plant to the 4 million stage was also taken up simultaneously and it was expected to be completed by June 1979, according to the approved revised schedule.

The revised approved commissioning schedules for the 4 million tonne stages of both Bhilai and Bokaro were further revised. For Bhilai, the date was changed from December 1981 to October 1982 and for Bokaro from June 1979 to March 1983. For the Bokaro cold rolling mill, the revised schedule was changed from December 1982 to September 1983 because of delays in equipment supply, nonavailability of critical items from indigenous sources and inadequate resource mobilisation by some of the constructing agencies.

Prices shot up in the meanwhile. The sanctioned cost estimates for Bhilai went up from Rs 937.71 crore to Rs 1,459.73 crore and for Bokaro from 947.24 crore to Rs 1,396 crore.

The plant however has shaken off the constraints and now is a veritable bee-hive of activity. According to Mr Ahuja, the first step into the 4 million tonnes stage was taken on 27 May this year when the fourth blast furnace was 'blown in' by the unit's oldest worker Ram Swarup Yadav. This was followed by the first 'pushing' of the fifth coke oven battery which converts mined coal into the coke used in blast furnaces for reducing iron ore into molten iron (the coking is done by heating the coal in closed ovens without air to blow away volatile gases and liquids) in July.

According to the current pace of work, the expansion of the captive power plant by adding three units of 60 MW each will be completed by the end of 1982 followed by the second steel melting shop the same year. The second phase of the cold rolling mills will be completed by September 1983. Bokaro is however keeping its fingers crossed hoping that the vendors supplying it materials will keep their delivery schedule.

Under the 4 million tonnes expansion Bokaro will significantly increase its production in vital finished flat products from the existing 1.3 million tonnes to over 2.15 million tonnes. The targets are (with the existing capacity in

parenthesis): Hot-rolled plates, sheets and coils 14 lakh tonnes (8.8 lakh) cold rolled coils 4.1 lakh tonnes (1.75), CR sheets 9.8 lakh tonnes (3 lakh), black or tin plates 1 lakh tonnes, galvanised coils 90,00 tonnes and galvanised plates 80,00 tonnes.

At completion, the plant will have five blast furnaces serviced by the latest coke oven batteries, a third sintering machine in addition to the existing two and a second steel conversion system with two 300 tonnes converters to turn the molten iron into steel.

In the finishing lines, where the steel ingots are reduced to plates, coils and sheets, the heat soaking pits are to be doubled from the present six banks to 12 banks. In the 2000 mm hot strip mill a seventh stage will be added to bring the sheets to required thickness. In the cold rolling mills, which produce the bulk of the high priced items, of thickness from 0.4 mm to 2 mm, another pickling line, a five-stand tandem mill and coating lines are to be added.

According to Mr Ahuja, expansion will also be made in the service and maintenance units, as also in the quality control and research sections which are even now instrumental in constant improvement in plant functioning and quality and quantity of the production.

In the existing plant, Bokaro has claimed record production after the crippling power breakdowns of the last financial year, with 7.17 lakh tonnes of ingot and 5.7 lakh tonnes of saleable steel between April and August this year. In 1980-81, Bokaro produced 8.44 lakh tonnes of saleable steel and 9.22 lakh tonnes of ingot as compared to 8.48 and 14.24 lakh tonnes in 1979-80 when power was in better supply. The power crisis continued up to February this year.

The production of ingot steel was pegged down because of a stock pile up which at one stage reached 3.58 lakh tonnes. The steel could not be rolled because of the power crisis which affects the rolling mills first of all. Also the fuel crisis hit the soaking pits where the ingot is reheated to make it liable for rolling. Now the plant is also using coal charging apart from the coke oven and blast furnace fuel gases in an effort to reduce the stockpile of ingots to one lakh tonnes.

According to Mr Ahuja, the plant also faces problems in profitability because of the JPC control over its main hot and cooled rolled products. The private sector TISCO becomes the main beneficiary if the 30 to 40 per cent production being put out of JPC control where it can sell at market prices.

Speaking of the infrastructure of the plant, Mr Ahuja said the 44,000 employees of the plant, including 23700 in the works division alone, had achieved the highest productivity among all the steel plants, including TISCO in 1979 and was back on target again.

CSO: 4220/7188

## OIL MINISTER PROMISES SUPPORT TO EXPLORATION

New Delhi PATRIOT in English 7 Oct 81 p 7

[Text]

THE country might exceed the planned target of 30 million tonnes of crude oil production in the next four years from the present level of 16 million tonnes with the latest oil finds.

Giving an indication of this in a congratulatory message to the Oil and Natural Gas Commission on their success in striking gas in Tripura Petroleum Minister P C Sethi said on Tuesday that with the latest oil finds in the offshore B-87 and Palk Strait and proper development of existing fields like the Bombay High, Heera, Panna and Ratna one could hope to achieve still higher levels of production.

Mr Sethi assured that financial and other constraints would not be allowed to come in the way of exploration and production work planned to be carried out by the national agencies like the ONGC and Oil India.

The Minister's assurance assumes great significance in the light of the stiffening attitude of international monetary agencies like the World Bank. It may be mentioned that the Government has asked for loan for oil resources development from the World Bank.

Moreover the Petroleum Ministry is confident of reducing the crude oil as well as the petroleum products imports next year at least by two and one million tonnes respectively, which would help save about Rs 1,000 crores.

The import for 1981-82 is projected at 15.2 million tonnes of crude oil and 4.7 million tonnes

of products.

## CUT IN IMPORTS

The calculation that the country would be in a position to reduce the imports next year is based on sound considerations. The production rate in Bombay High which was eight million tonnes in March-April, has gone up to 10 million tonnes. By 1982-83 the production in Bombay High would definitely increase by two million tonnes, not to mention the other sources.

Secondly, Jharkhand refinery is to go in production by November and that would show results next year reducing the imports of products.

Thus, imports of both crude and products would be reduced in 1982-83 and the reduction might be even more than anticipated total of three million tonnes in which case the import bill could be further reduced from the estimated Rs 1,000 crores.

The new finds would be able to reach production stage by 1983-84, the result of which would be visible in 1984-85, the last year of the sixth Plan.

The ONGC and Oil India have suggested to the Planning Commission a total outlay of Rs 4,787.92 crores and Rs 227.88 crores respectively for the sixth Plan. The approved outlay for 1981-82 is Rs 670.19 crores and Rs 40 crores respectively.

## SHORTAGE OF FUNDS DELAYS DEVELOPMENT OF OIL INDUSTRY

Kuala Lumpur BUSINESS TIMES in English 7 Oct 81 p 7

[Article by Ajoy Sen in New Delhi]

[Excerpts]

INDIA'S attempts to give a badly needed boost to its oil industry are being hampered by a lack of foreign investment and a failure to entice foreign oil companies to sign exploration deals, oil industry sources say.

The Indian government has secured barely more than a tenth of its US\$6 billion investment target aimed at increasing production and finding more oil to cut its onerous fuel import bill, the sources said.

At the same time, only about a dozen of the 35 companies invited to explore for oil are still negotiating with the government. The sources said many companies felt they were not being offered the best areas or given attractive enough terms.

Oil output is officially planned to be raised to 28 million tonnes a year or 560,000 barrels per day by 1984-85 from an estimated 17 million tonnes (340,000 barrels per day) in the current year.

Credits totalling US\$400 million from the World Bank, US\$200 million from the international capital market and US\$23 million from the US Export-Import Bank have so far been secured.

"This is peanuts against targeted investment," a senior Petroleum Ministry official said.

Official sources say the prospects of further large loans from governments and international financial institutions are not encouraging.

Finance Minister R a m a s w a m i Venkataraman told Parliament recently the government would seek export credits from potential suppliers and also borrow Eurodollars - dollars deposited outside the US.

However, export credits cannot cover the purchase of machines and equipment outside the lending countries,

and Eurodollar loans are expensive, officials say.

India is negotiating with the International Monetary Fund (IMF) for a record US\$3.65 billion loan to plug its balance of payments deficit, which last year totalled US\$2.5 billion.

The IMF loan would help raise the foreign exchange reserves and cover a possible shortfall in loans for oil exploration, a Finance Ministry official said.

Because of soaring oil prices, oil now accounts for almost half of India's import bill and the country's foreign exchange reserves are fast sinking under the cost.

The reserves slumped to US\$4.7 billion last month from about US\$6.55 billion a year earlier.

India, which now meets almost half of its oil requirements through imports, will still need to buy 340,000 barrels per day of foreign oil in 1984-85 when domestic output is planned to rise to 560,000 barrels per day. The current year's imports are estimated at 320,000 barrels per day.

Domestic oil consumption is growing at 6.5 per cent a year.

The state-owned Oil and Natural Gas Commission (ONGC) and Oil India have discovered some promising offshore fields, mainly on the west coast.

But production is currently limited to the Bombay high field off the west coast and onshore areas in northeastern Assam and western Gujarat states.

India invited foreign oil companies last year to explore the country's 32 identified offshore and onshore blocks.

Only about a dozen of the 35 companies involved last December are still negotiating with the government.

Several major oil companies pulled out after the government declined to give them potentially rich areas and instead kept them for exploration by ONGC and Oil India, official sources say.

Some have ended negotiations because they find the official terms for production-sharing unattractive, foreign oil company sources say.

A major breakthrough is possible in offshore areas where oil has been found in the past year, but further drilling has been suspended because of technological problems, an ONGC official said.

The French firm Compagnie Generale de Geophysique (CGG) will use a new seismic device to locate oil believed to be buried under rocks in the northern Himalayan foothills.

Export credits are being used to buy new drill ships, rigs and seismic machines from the US, West Germany, Japan and Singapore.

Petroleum Minister Prakash Chand Sethi told Parliament this month that promising areas like shoals and estuaries would be explored by contractors.

The oil hunt has to continue because India has no alternative source of energy readily available.

The country's nuclear programme has yet to grow into a dependable energy source. — Reuter



## BRIEFS

LADAKH BORDER AREA--Srinagar, Sept 24--The Chief of the Indian Army Staff General K. V. Krishna Rao now on a visit to the border areas of Ladakh today had detailed discussions with top officers of the Indian Army posted in Jammu and Kashmir. The discussions covered the overall border situation. Among the other things discussed by General Rao was the Chinese incursion in the Tri-Junction area of Ladakh where Chinese flags were hoisted. Though the flags are still there, according to official reports there is no sign of the Chinese troops. [Text] [Madras THE HINDU in English 25 Sep 81 p 9]

AASU MEETING, RESOLUTIONS--Gauhati, Oct 5--The All Assam Students Union (AASU) has demanded that the solution to the foreign nationals problem should be on the basis of the principles laid down in the earlier draft formula of the joint executives of AASU and the All Assam Gana Sangram Parishad (AAGSP). In a resolution adopted at the concluding day of its two-day meeting at Bongaigaon, about 220 km from here, on Sunday, AASU said the success of the next round of talks and the union's future course of agitation would depend on Centre's attitude. Releasing the copy of the resolutions here on Monday, Mr Prafulla Kumar Mahanta and Mr Bhrigu Kumar Phukan, president and general secretary respectively of AASU, said that the students union also reiterated its demand that the burden of entire foreigners should not be shouldered by Assam alone. They said it was the opinion at the meeting that the solution evolved must assure the indigenous people of Assam that there would not be any threat to their existence. The meeting had detailed discussions on organisational matters and decided to extend the term of the present executive committee of the union by another six months. About 300 delegates from different parts of the State participated. PTI [Text] [Madras THE HINDU in English 6 Oct 81 p 1]

TAMIL NADU CPI-M SECRETARY--Madras, Oct 5 (UNI)--Mr A. Nallasivan was elected secretary of the Tamilnadu unit of the Communist Party of India (Marxist) at a meeting of the party's State committee on Saturday. [Text] [New Delhi PATRIOT in English 6 Oct 81 p 4]

NAGALAND VOTER CARDS--New Delhi, Oct 6--Nagaland has decided to introduce identity cards with voters' photographs in the next general elections to the State Assembly in November next year, reports UNI. This decision was conveyed to the Election Commission today. Nagaland officials who met the Chief Election Commissioner today were understood to have told him that arrangements were being made to implement this scheme before the Assembly elections in 1982. There are about 500,000 voters in the State. Sikkim had introduced identity cards for voters. [Text] [Calcutta THE STATESMAN in English 7 Oct 81 p 1]

TELUGU IN COURTS--Hyderabad, Oct 5 (UNI)--Telugu would be introduced as official language in all criminal proceedings in munsif magistrate courts in Andhra Pradesh from 1 November, Chief Minister T Anjiah told newsmen after a Cabinet meeting today. In civil courts also proceedings in suits concerning maintenance will be conducted in Telugu. [Text] [New Delhi PATRIOT in English 7 Oct 81 p 8]

AIR COMBAT TRAINING--Dehradun, Oct 7 (PTI)--Oil and Natural Gas Commission Chairman Col S. P. Wahi told newsmen in Delhi on Tuesday that structural changes to reorganise the commission were on the anvil with a view to tapping the country's vast untapped hydrocarbon resources. The proposed structural changes would help the ONGC in the optimum utilization of manpower and material resources, he said. Col. Wahi said a coordinated strategy for synchronising on-shore and off-shore oil exploration is being evolved for achieving self-sufficiency in oil. He said the communication system would be improved in all regions of the commission for better coordination at operational level, by having an improved network of telecommunication links through satellites and wireless. Col Wahi disclosed that Cauvery basin was being evolved specifically for achieving onshore and off-shore synchronisation. The commission's main thrust for tapping hidden oil wealth will be towards optimum utilisation of the expertise within the ONGC so that it will enthuse a spirit of total involvement and dedication among the commission's employees for achieving their target. [Text] [New Delhi PATRIOT in English 8 Oct 81 p 5]

ZINC RESERVE DISCOVERED--Calcutta, Oct 7 (UNI)--The Geological Survey of India has located a reserve of 120 million tonnes of base metal in the Sindesar-Kolan and Mokanpura blocks of Udaipur district in Rajasthan during the field season ending on 30 September this year, according to GSI sources here. Analysis of the ore collected from the area revealed that lead-zinc metal content of this reserve varied between 2.64 per cent and three per cent. The GSI has also tentatively recorded a 3.10 metre thick mineralised zone along the extension area of Mokanpura north block containing high grade lead-zinc. The geo-scientists also located two other mineralised zones in and around the established area in Udaipur district with three to 10 per cent lead zinc, the sources said. GSI has also explored another promising area in Tambakhani Kolar-Bhaonri areas of Nagpur district during the last field season. [Text] [New Delhi PATRIOT in English 8 Oct 81 p 5]

CSO: 4220/7199



LAOS ASKS GOVERNMENT TO OPEN CHECKPOINT

Bangkok THE NATION REVIEW in English 22 Oct 81 p 2

[Text]

**UBON RATCHATHANI** - Laos has asked the Thai Government to reopen a border checkpoint closed almost two years ago, Governor Boonchuay Srisarakham said yesterday.

He said the request was made by Governor of Champasak Thao Oom during a meeting between provincial-level officials of the two countries here on Tuesday.

Thai officials attending the meeting included Boonchuay and his deputy Chanak Yuwaboon.

Boonchuay said the meeting was initiated by the Laotian officials and was aimed at promoting relations between the two countries.

Thao Oom said during the meeting that Vientiane wanted Thailand to reopen the Chong Mek border checkpoint which is located between the Laotian District of Ponthong and Pibulmangkharn District of this northeastern province, the governor said.

The border checkpoint is about 70 kilometres from the Muang District here.

The Interior Ministry was already informed of the approach made by Laos, he said.

He said that it was also agreed at the meeting that talks between provincial officials of the two countries should be held more frequently in the future.

Boonchuay said local officials here had occasionally allowed Thai trucks to transport goods across the Mekong River to the Laotian side on a

case-by-case basis.

The Laotians, however, wants the border check-point in question to be fully opened.

The check-point was closed along with other check-points on the Thai-Laotian border following confrontations between the two countries.

Laotian Ambassador to Thailand Khamphan Simmalavong said last week that Thai-Laotian relations had not yet reached the stage of being "normal" because not all the border check-points have been reopened.

## TWO MEMBERS OF SABAH CABINET DISMISSED

## Plotted to Topple Government

Kuala Lumpur BUSINESS TIMES in English 18 Sep 81 p 20

[Text]

DATUK Harris Salleh, the Chief Minister of Sabah, sacked two ministers yesterday, accusing them of plotting to topple his government.

The Chief Minister identified the two sacked men as Culture, Youth and Sports Minister Datuk Hamid Tun Mustapha and assistant Social Welfare Minister Norsuadah Basah, both leading members of the Sabah's ruling Berjaya party.

A state assemblyman, Encik Abbas Ali, would be disciplined for his complicity in the plot, Datuk Harris told a Press conference.

He said a total of six assemblymen were involved in the abortive plot, which had the "tacit support" of the main opposition in the state, the Moslem-based United Sabah National Organisation (Usno).

Three of the assemblymen, whom he did not name, had withdrawn from the plot and no action would be taken against them, he said.

Culture Minister Datuk Hamid is the son of Sabah's former Chief Minister Tun Mustapha Harun, who earlier this year made a political comeback as Usno president.

Tun Mustapha led the

oil and timber-rich state for nine years until the 1976 elections when Usno was defeated by Berjaya which again won a landslide victory in the elections last March.

Datuk Harris said that the six assemblymen held secret meetings to muster support from Moslem assemblymen and had also held secret negotiations with some Usno leaders.

Datuk Harris said the move to topple Berjaya was based on fabricated and unfounded grievances and allegations aimed at achieving their personal political ambitions.

He rejected the group's claim that Moslem assemblymen in Berjaya did not get a fair share of political posts in the government and that they were given less opportunities than other ethnic Bumiputras (Malays and other indigenous races).

Berjaya's disciplinary committee would decide whether the group should be expelled from the party, Datuk Harris said.

He added however that sacked Social Welfare Minister Puan Norsuadah would be allowed to retain her nominated assembly seat because she had regretted her involvement in the plot. —  
Reuter

## Charge Refuted

Kuala Lumpur NEW STRAITS TIMES in English 19 Sep 81 p 1

[Text]

KOTA KINABALU, Fri.  
-- Datu Hamid bin Tun Datu Mustapha, who was dismissed from the Cabinet yesterday, has denied that he and several other State Assemblymen had plotted to topple the Berjaya government.

What they did was to form a pressure group to see that Berjaya's ac-

tions were just and democratic, he said.

He said in an interview at his residence today that what Chief Minister Datuk Harris Salleh had branded as a plot to topple the Berjaya government was merely an attempt by some Assemblymen to try to "put right certain party actions and policies."

"This is an internal matter among us Berjaya Assemblymen and we have no connection whatsoever with Usno. The party leadership is only trying to find a scapegoat to divert the people's attention from the dissatisfactions that exist and the real issues it is facing now," he added.

Datu Hamid pointed out that the so-called group of 17 existed, and they had made him (as a Cabinet member) a medium to bring up certain issues with the party leadership.

"We were only trying to provide checks and balances in the party. Instead, the issues we raised were completely thrown out and the next thing we knew we had been accused of plotting to topple the government," Datu Hamid said.

He described the party's action against him and two others, Puan Norsuadah Haji Basah and Encik Abbas Ali, as undemocratic and unjust.

On his political future, Datu Hamid said he would be watching the situation closely. He believed that the action against him, Puan Norsuadah and Encik Abbas was the beginning of a purge in the party. --  
Bernama.

CSO: 4220/527

## MALAYSIA RATED AS HAVING WORLD'S FIFTH BEST ECONOMY

Kuala Lumpur BUSINESS TIMES in English 5 Oct 81 p 1

[Text]

MALAYSIA has been described as having the fifth best economy in the world on the strength of its low inflation rate, consistent economic growth since 1973 and a moderately strong ringgit and balance of payments performance.

In an assessment of world economic performance from 1974 to 1981 by the UK-based journal, *Euromoney*, the only Asean partner which outperformed Malaysia was Singapore, which was rated the second best economy after Taiwan. The other Asean member to make it to the top 10 was Thailand which emerged eighth in the ranking.

This rating of 85 countries, including the industrialised nations, was based on export growth, exchange rate strength, inflation rate, economic growth and balance of payments.

Malaysia's inflation rate over the eight years was rated third best after Switzerland and Singapore. In terms of economic growth, it was outperformed by nine other nations including Iran, Hong Kong, Taiwan, Saudi Arabia, Singapore and Thailand. The country emerged 11th in exchange rate strength and was placed in 12th position in terms of export-led growth and balance of payments performance.

Taiwan was placed fourth in exchange rate strength and fifth in economic growth. It was slotted in 13th place on the strength of its export-led growth, 17th by inflation rate and 19th by balance of payments criteria.

Singapore, on the other hand, was placed fifth in the strength of its dollar and its export-led growth from 1974 to 1981. In terms of economic

growth it was placed seventh. The city state would have emerged at the top of the pack if not for a poor rating of its comparatively weak balance of payments performance, which was ranked 83rd, beating only two other countries.

Hong Kong was rated third best economy while South Korea, the last of the four Asian newly-industrialised countries (NICs), was placed 11th.

*Euromoney* observed that the NICs had surpassed the economic performance of the group of countries that might have been expected to top the rankings — the oil-exporting countries.

Those economies had done well as a group because of the boost received from oil revenues. Within this category, Saudi Arabia's economy was rated the best overall performer, taking fourth position. Iraq was next in sixth spot while Egypt was rated seventh.

The top-performing industrialised country was Japan in 10th place.

CSO: 4220/528

## GOVERNMENT MAY OPT FOR CORSAIR AIRCRAFT OVER SKYHAWKS

Kuala Lumpur NEW STRAITS TIMES in English 20 Sep 81 pp 1, 4

[Excerpt]

**KUALA LUMPUR, Sat. — The Government is seriously considering buying the Vought A-7D Corsair tactical jet fighters instead of the McDonnell Douglas A-4 Skyhawk for its expansion plans for the air force.**

It is learnt that the Government has instructed the RMAF to "hold fire" on the mammoth \$1,400 million Skyhawk deal while it studies the Corsair fighter plane.

An RMAF follow-up fact-finding team left for the United States on Thursday to study the "comparative" deal offered by Vought, the Texas-based manufacturers of the Corsair.

According to highly informed sources, the Malaysian Government originally favoured the Corsair when it went shopping for jet fighters in 1978.

But the Skyhawk was chosen when Vought's application to the American Congress for a sale to Malaysia was rejected because of a Carter administration ban on foreign military sales of defence equipment like the Vought Corsair single seat ground attack planes.

But the ban was lifted on July 8 by President Ronald Reagan in a new policy directive on arms transfer and Vought came in immediately with its offer to Malaysia, said the sources.

If Malaysia calls off the Skyhawk deal, which was first confirmed by Datuk Seri Dr Mahathir Mohamed in May last year, when he was Deputy Prime Minister, it is expected to lose a few million dollars — a per-

centage of the money already paid for the aircraft.

But the sources said, the Government was willing to absorb the initial loss now than be faced with astronomical maintenance costs in the 1990s when spare parts will be scarce as McDonnell Douglas ceased production of its Skyhawk in February, 1979.

The Corsair which had its first flight in 1955, 11 years after the Skyhawk, was developed for the US Navy when it needed a sub-sonic aircraft able to carry a greater load of non-nuclear weapons than the A-4 Skyhawk which was mainly used in the Vietnam War.

Under the original plan, Malaysia is to buy 46 Skyhawks, all surplus planes from the US Navy now mothballed in the

Nevada desert. Much of the \$1.4 billion deal is to cover costs of overhauling the used aircraft and refurbishing it with sophisticated new equipment like radar and inertia navigation systems which do not come with the A-4La that the RMAF is buying.

The planes themselves are cheap and come at rock-bottom prices.

According to a source, Air Force operations and technical personnel are in favour of the Corsair as it is a "far superior" fighter plane than the Skyhawk.

More important, said the source, the Corsair production line is still running, meeting orders from the US navy and air force and air forces from other parts of the world.

Thus, Malaysia will not face a problem getting spare parts at fair prices.

A manufacturer, he said, usually guarantees a 10 year supply of spare parts following the close of a production line. The Skyhawk, which closed down production in 1979, will thus guarantee spare parts until 1989.

After that, Malaysia would have to hunt for supplies on the open market where vendors holding spare parts would name their own price, usually "astronomically inflated" as had happened with the Tebuan jets.

Compared to the Skyhawk, the A-7 Corsair has a longer striking range and has almost double

the maximum take-off weight, thus allowing it to carry more armaments and more fuel for longer distance missions.

The A-7D that Malaysia is interested in is a version developed for the US Air Force and first delivered in 1968.

The Corsair deal is expected to cost about \$1.4 billion, too, but no refurbishing is needed as the aircraft has all the sophisticated avionics (electrical devices for aviation and missileery) that the air force needs.

They will also be brand new planes, specially produced to Malaysia's specifications.

For what we want — ground attack fighters to support the army in counter-insurgency operations, the Corsair is supposed to be the best for the money that Malaysia has to spend, said the source.

Whether the final decision will be the Skyhawk or the Corsair, these jet fighters will be used to re-equip the sixth and ninth squadrons now using Tebuan, and the 11th squadron with its Saber jets.

They will form wholly new ground attack squadrons for the RMAF.

The Tebuan, now reaching the end of its lifespan, will be moved to the flying training school, strictly for pilot training.

On the Government's shopping list are the Italian Macchi, the British H.S. Hawk, the Spanish Caza and the French German Alpha Jet.

## KEY OFFICERS IN ARMED FORCES TO RETIRE

Kuala Lumpur NEW STRAITS TIMES in English 21 Sep 81 p 1

[Text]

**JOHORE BARU, Sun. —** There will be a major reshuffle within the Malaysian armed forces following the optional retirement of several generals before the end of the year.

Highly reliable sources told *The New Straits Times* that the generals include Chief of Defence Forces Gen. Tan Sri Mohamad Ghazali Seth.

Lt-Jen. Datuk Abdul Jamil Ahmad, Maj-Jen. Datuk Jaafar Oun, Maj-Jen. Datuk Hassan Salleh, Brig-Jen. Datuk Eno Ahmad and another general will also opt for early retirement.

The sources said Gen. Tan Sri Ghazali, who was appointed Chief of Defence Forces last Jan. 22, would retire for health reasons. He still has more than a year to go in service.

Gen. Tan Sri Ghazali is said to have not fully recovered from an illness although he underwent a major operation in the United States in 1979.

Of the other generals, the sources said some would retire because of age and for health reasons and others for personal reasons.

### Promotions

Lt-Jen. Datuk Jamil, who is the Army Corps Commander, and Brig-Jen. Datuk Eno, who is commanding a brigade here, have only a year left in service, it is learnt.

Deputy Army Chief Maj-Jen. Datuk Jaafar and Chief of Logistics Maj-Jen. Datuk Hassan are retiring early for personal reasons. The latter is said to be going into business.

The sources also hinted that Chief of Armed Forces Intelligence Lt-Jen. Mohamad Ghazali Haji, 1st Nat. head of the Seventh Task Force Maj-Jen. Wan Ismail Salleh and Maj-Jen. Datuk Hashim Ali would be promoted following the resignations.



## GOVERNMENT DEPARTMENTS TOLD TO AVOID BRITISH PRODUCTS

Kuala Lumpur BUSINESS TIMES in English 1 Oct 81 p 1

[Text]

ALL government departments and statutory bodies are understood to have been given a directive to look for alternative suppliers for what they now buy from Britain. They are also asked to give preference to consultants from other countries in the award of contracts.

This is apparently in response to the action taken by the Council of the Securities Industry in Britain last week to amend rules governing large share acquisitions and takeovers on the UK stock market following the successful dawn raid made by Permodalan Nasional Bhd to acquire control over Guthrie Corporation.

The amendment is seen as a peevish reaction to the takeover although PNB fully complied with the rules laid down in the London takeover code.

Mr Peter Rees, a British Minister now visiting Malaysia, claims that the amendment was made in the light of an evolving situation but not specifically because of the Guthrie takeover.

The fact remains, however, that the council announcement explaining the amendment echoes, almost word for word, the angry comment made by Guthrie's managing director on the takeover.

Even though a similar dawn raid took place on Feb. 12, when the London

stockbrokers Rowe and Pitman picked up 16.5 million shares in Consolidated Goldfields on the London stock market in just 60 minutes, the London Council saw no need for any amendments at that time.

The British business community was reported to be upset by the Malaysian takeover which was described as "nationalisation" by the back door. In fact, Mr Rees said on arrival on Tuesday that he would, in view of the takeover, seek a clarification from the Malaysian government about the terms on which British investments were welcome in Malaysia.

The government did not deny that it endorsed the Guthrie takeover by PNB. But Finance Minister Tengku Razaleigh Hamzah pointed out that "PNB was following the rules of the game, which, incidentally, the British taught us."

The order not to obtain supplies from Britain and not to appoint British consultants is not expected to have any adverse effects on economic development in this country because Britain is now a minor partner in trade and ranks third among investors in new industries.

The small "imperial" preference that Malaysian products enjoyed in the British market was eroded with Britain's entry into the EEC. Malaysia British

trade has been on the downtrend. In 1974 Malaysian exports to Britain accounted for about 6.6 per cent of the total while imports in that year accounted for 9.4 per cent of Malaysia's total imports.

In 1979, the share of British exports had fallen to only four per cent while imports from Britain accounted for only six per cent of the total. As Mr Rees himself admitted, Britain has lost out because of its declining competitiveness.

In respect of Malaysian exports, the import quotas set by Britain act as a check on growth. As a result, Malaysia has a persistent trade deficit with Britain in contrast with a healthy surplus vis-a-vis larger EEC economies like West Germany's or vis-a-vis the world's largest economy, the US.

Apart from friction on trade, the British decision to raise tuition fees for foreign students caused dismay because Malaysia was until recently sending several thousands of its youths to study in that country. Since students from the EEC were exempted from the increase, Datuk Seri Dr Mahathir Mohamad said that the discrimination reflected "an inherent racialist bias."

The Prime Minister, who has said that he prefers to speak his mind in

contrast with his more polite predecessors, did not mince his words when he referred last June to Malaysia's British connection in a talk with a group of foreign investors.

Reacting sharply to the claim made by the British High Commissioner in Kuala Lumpur that Britain had invested "not only money but also lives and blood" in Malaysia, Dr Mahathir said: "We had categorically no help from the claimant. Indeed of late the help has been negative."

He noted in particular that the business community in "one English speaking country" in Europe had shown no interest in sponsoring Mida seminars while the Finns, relatively strangers to Malaysia, had gone out of their way to help a Malaysian investment mission.

While the private sector will not be affected by the "official directive," it may, however, take the cue from government departments and statutory organisations. In any event, a large part of new investments in the private sector will take place under quasi-official auspices, via for instance the Heavy Industries Corporation of Malaysia (Hicom). Obviously, an official directive will have the effect of diverting the large orders expected to be placed by such entities.

## SABAH CONTRACTS FOR CONSTRUCTION OF METHANOL, POWER PLANTS

Kuala Belait BORNEO BULLETIN in English 26 Sep 81 p 48

[Text]

KOTA KINABALU. — Deals for two more big industrial projects — worth \$740 million — for Labuan have been signed by the Sabah state government.

A methanol plant with a capacity of 2,500 tons daily and a 100 megawatt electric power plant will be fueled by natural gas from the offshore oilfields round Labuan.

The \$570 million me-

thanol plant will be one of the largest in the world — the largest, in the United States, produces 2,500 tons daily.

The Klockner Corporation will build the plant and the Lurgi Corporation will install the methanol production system.

The two West German firms are helping to finance the plant by arranging buyers' export

credits and Japan is giving \$70 million in suppliers' credits.

Sale of the methanol has been assured with Borden World Trade Incorporated of the United States contracting to purchase the entire annual output of 600,000 tons.

Methanol is used as a fuel and in the manufacture of plastics, glue and pharmaceuticals.

The \$170 million electric power plant will be built by the Sulzer Company of Switzerland.

The other big projects planned for Labuan are a liquefied petroleum gas plant and a \$450 million sponge iron plant.

According to Deputy Chief Minister Datuk James Ongkili, Labuan's four big plants will make use of natural gas that is now being flared off and wasted at the rate of \$600,000 worth a day.

He added that the state government plans to set up a company to supervise the four projects, which represent investments totalling \$2 billion.

CSC: 4220/528

## EIGHT COMMUNIST TERRORISTS SURRENDER IN SARAWAK

Kuala Lumpur NEW STRAITS TIMES in English 18 Sep 31 p 9

[Excerpts]

SIBU, Thurs. — Deputy Prime Minister and Home Affairs Minister Datuk Musa Hitam announced here today the surrender of eight Communist terrorists, including one ranking personnel, in the Rajang Security Command (Rascom) area in Sarawak's Third Division.

The eight, who surrendered between March 1960 and April this year have rejoined society.

Heading the list of those who surrendered was Wong Chew Fatt, 35, former military commander of fourth company of Paraku III in the lower Rejang Armed Work Force (AWF), North Kalimantan Communist Party (NKCP).

Wong and his terrorist wife Wong Ngik Hung surrendered to the Government on Sept 10 last year, said Datuk Musa in a separate statement giving details of the terrorists.

The following were the reasons given by Wong for giving up the armed struggle after operation Sri Aman (This took place in March 1974 during which top Sarawak Communist leader Bong Kee Chok and followers laid down their arms):

- The economic condition and living standard of the people in Sarawak have improved tremendously and there was no point for the Communist terrorist organisation to hinder the progress of the citizens;

- Events in China proved that Mao's thoughts were not applicable; and

- There was no unity in Communist countries since they were fighting among themselves.

Wong, a Foochow, formerly of Sungai Bidut, Sibul, joined the Communist terrorist organisation in May 1968.

He was immediately appointed to take charge of the Min Yuen Unit operating in Sungai Bidut and became leader of Downriver 4 AWF in late 1969.

In June 1970, he was enlisted as a member of the North Kalimantan Communist Party (NKCP) and the following year, promoted to military commander.

Wong's wife, 32 year-old Ngik Hung, also a Foochow, was from Bukit Asak, Sibul Town. She joined the terrorists in September 1969

and was attached to the Downriver 3 AWF as medical orderly.

A second couple who surrendered were Ling Weng Ming from Bau in the First Division and his wife Sia Hui Leng, 32, formerly of Sibul Town. They gave up on April 3 last year.

Ling, 37, a Khek, joined the Communist terrorist organisation in May 1963 and received his military training in West Kalimantan.

He became a member of Paraku III in 1965 and had since been attached to the lower Rejang AWF.

His wife, Sia joined the terrorists in January 1970 and was attached to the lower Rejang AWF as medical orderly.

The third couple, Lau Ing Siong and his wife Ming Choo, both 26, surrendered on April 29 this year.

Lau, a Foochow from Sibul Town became a terrorist on May 17 1971 and had since been attached to the Oya-Mukah-Tatau (OMT)

headquarters units as Chief Armourer and was "an expert in manufacturing home-made Sterling, Carbine M16 and sidearms."

His wife, also a Foochow from Sibul, joined the terrorists on Nov 15, 1978 and was attached to OMT armed workers' force.

Communist terrorist Ngu Chung Hieng, 30 came out of the jungles on March 25, last year.

A Foochow from Ensural, he became a terrorist in February 1970. He was appointed deputy leader of Downriver 81 AWF second group and was not only a past master at Communist propaganda but also an expert in the manufacturing of home-made bombs, landmines and booby trap devices.

In 1979, he was appointed a committee member of the newly-formed fourth company of Paraku III.

The eighth communist terrorist to give up was Kong Siaw Soo, a 24 year-old Cantonese of Sungai Pedai, Kanowit.

He joined the terrorists on Aug 9, 1979 but after operating with the OMT AWF for barely half a year, he deserted the organisation at the end of February last year. He could not stand the hardship in the jungles and gave up on March 21 last year.

## EDITORIAL CRITICAL OF INEQUALITY BETWEEN RICH, POOR

Islamabad THE MUSLIM in English 2 Nov 81 p 6

[Editorial: "Distributive Justice"]

[Text]

SELDOM do conservative official institutions in developing countries talk of distributive justice. And ultra-cautious state or reserve banks are even less likely to do that. Yet, if the State Bank of Pakistan has done that in its Annual Report for 1980-81, it must have fairly good economic, as distinct from social, reasons. — "Economic growth without widespread and equitable distribution of its benefits can be counter-productive", cautions the Report, after talking of the "respectable rate of growth" of 6.2 per cent during the last four years. But the Bank does not assert there is inequitable distribution of new incomes but doubts whether "the pattern of income distribution has also improved over this period". It says there are no statistics to indicate whether the proportion of the population living below the poverty line has increased or decreased.

It is hard to determine precisely whether the real living standards of the poor have improved or worsened in a country where planners, economists and finance officers are moving in statistical dark most of the time. Neither the abundance of imported goods in department stores or the new supermarkets, nor the increasing deposits in the banks, nor the frenetic pace of house-building nor the pervasive radios, cassette recorders, or even VCRs, could be taken as an indication of increasing prosperity of the masses. The growth in per capita income is no any real indication of the plight of the people below the poverty line, either. If per capita income at current prices is now Rs.3,331, it is only Rs.681 at the 1959-60 constant prices. If per capita income at current prices is five times as much as that at constant prices, that shows the extent of inflation in the country, and not better distribution of income over the decades.

As per capita income includes not only the income of the rich in the country but also the over three billion dollars sent by the emigre workers directly and otherwise, it is even less reliable as an index of the income of the poor classes. But even here, the position has improved by only 8.3 per cent in four years, or an annual average increase of two per

cent per year in an exceedingly poor country. Of course, there have been changes at the top income levels. The 22 dominant families of Pakistan of whom Dr. Mehboobul Haq spoke and drew sustained fire from the rich, now think that not only "small is beautiful", as E.F. Schumacher wrote, but also safer and quicker in yielding profits. Having lost some of their "industries to nationalisation and running some others into deep sickness, they have taken to real estate and construction, trading and service industries in a big way. So they become richer faster than the country does. Sustained inflation in Pakistan has smothered and paralysed the middle class, the fixed income group in particular. It has made many of them take to underhand means or additional work for survival. If the wages have risen, prices have risen higher. Rents in the cities and towns have shot up staggeringly. Most workers, hence, live in worse hovels and shacks than they used to. The official media's thoughtless policy of promoting unbridled consumerism, particularly the sale of foreign goods and wasteful luxuries, is adding to the poverty of the masses. Seducing them into spending money where they need not, the State TV and Radio are only intensifying the agonies of the poor and disrupting their spending pattern. Hence many have no savings.

The State Bank's suggestion in this area is a basic one: to formulate and maintain wage indices. We have the national income figures computed year after year, but very little about the real income of the masses, of the middle class and lower income groups. Ad-hoc wage increases announced by the Government leave the employees and employers equally dissatisfied. Hence basic wage data has to be prepared. And it has to be done efficiently and honestly, and not in the rough and ready manner in which much of our official statistics appears to be prepared. When Dr. Mehboobul Haq spoke of the 22 families and distributive justice, there was as an uproar among the rich. Rich eyebrows may be raised this time, too, as the State Bank speaks formally but cautiously about income distribution. But the country cannot afford a decade of lop sided development followed by another of rough distributive justice, and the tensions and disruptions that arrest a balanced growth. It is towards balanced growth that we should move now, instead of a very unequal one, while rejoicing over the growth figures.

## NEW LOCAL BODY SYSTEM STARTS IN KARACHI, OTHER CITIES

Karachi DAWN in English 2 Nov 81 p 1

[Text]

The Punchayet system started functioning within the municipal limits of Karachi, Hyderabad and Sukkur Municipal Corporations yesterday.

None of the 235 Punchayets (145 at Karachi, 55 at Hyderabad, and 35 at Sukkur) is headed by a Lady Councillor as they have all been indirectly elected rather than going to the polls.

However, Lady Councillors will be ex-officio members of their respective Punchayets pending the setting up of separate Punchayets for women.

Punchayets at some places did not come into being as such Council seats are lying vacant because of disqualification, death or resignation of the sitting councillors.

In Karachi, the KMC decided to allot the old Union Council offices to the Punchayets. There are about 66 such premises. However, not all were vacant. Ejectment notices were served on their occupants. The notice period expired yesterday and these were likely to be made available today. Only then the Punchayet will take possession of the place and start working.

In some areas they will function from the school buildings or park-cum-playground, even dispensary sites. The position is likely to be more clear in a day or two — At Karachi as well as at Hyderabad and Sukkur.

Some Punchayets received a couple of complaints also. Some reported receipt of cases under the Muslim Family Law Ordinance and kept them pending for the Women Punchayet to be notified in due course by the Federal Government.

One such matter was received by a Federal Area Punchayet headed by Mr Akhlaq Ahmad. It was a case of seeking divorce even before the "Rukhsati" ceremony had taken place.

As stated earlier by the Government, the Punchayet system in the three urban areas was on trial for three months, and necessary adjustments will be made in the light of the experience gained during this period.

The first meeting of the 11-member committee set up by the Government to review the Punchayet system will be held in Karachi on Nov 16 and will be attended by the Mayors of Hyderabad and Sukkur also. It will identify anomalies, flaws or shortcomings and submit its recommendations.

In the meantime, the system will be introduced at the districts and taluka levels also from Jan 1 next.

## HYDERABAD

Our Staff Correspondent from Hyderabad adds: Fifty-five Punchayets started functioning within the limits of Hyderabad Municipal Corporation to listen to public grievances and complaints and dispose them of speedily. These Punchayets have been provided all sort of facilities such as office, furniture and staff.

The City Mayor, Maulana Wasim Mazhar Nadvi, has appealed to the people of Hyderabad to avail of the opportunity by bringing their problems of local nature before the Punchayet Courts set up for speedy justice and early disposal of their cases. The Mayor also visited some Punchayet offices in the city to apprise himself of their working.



# EDITORIAL ON NEW LOCAL BODY SYSTEM

Karachi DAWN in English 2 Nov 81 p 7

[Editorial: "A Bold Experiment"]

[Text] One hundred and forty-five Panchayats were born in Karachi on Sunday as the experiment of entrusting some judicial powers to members of local bodies was also launched in Hyderabad and Sukkur. Panchayats will go to the rural areas of the Province two months later, with the new year. Every Panchayat 'court' has three members, including the chairman who is the councillor of the constituency. The other two members are nominated by the chairman, with the approval of the Council. Sind is taking a lead in introducing a system which aspires to resuscitate an ancient institution in a new form. It is, however, not clear why urban areas have been chosen to revive an institution that traditionally belonged to the rural society. The Panchayats should have been initiated in the villages and gradually extended city-ward. The system would appear to require a solid basis of shared values and social homogeneity. Traditionally, elders whose authority is firmly recognised within a community would sit in judgment and invoke age-old customs and norms. Urban life is not particularly distinguished for these features. In that sense, the launching of Panchayats in the cities has become a daring experiment. It seems that the local government officials have displayed some haste. A one-day First Sind Baldiati Panchayat (Judicial) Conference was held in Karachi only on October 17 to explain to the councillors various aspects of the system and discuss the law relating to Panchayats. Media coverage of the Conference left one in doubt whether it was sufficient for the training of the Panchayat chairmen, who have to deal with offences of a wide nature. In any case, the members of the Panchayats have had no such orientation. It is thus necessary to monitor carefully the initial working of the Panchayat 'courts' and maintain a prompt advisory service to help the 'courts' observe correct procedures.

Offences that come under the purview of the Panchayats are mainly of civic nature. Their jurisdiction covers sixty offences pertaining to sanitation, maintenance of buildings, encroachments, etc. These include tampering with roads, drains, pavements, water supply system; exhibiting obscene advertisements; playing of loud music; carrying on of dangerous and offensive trades; throwing of garbage on roads or in front of houses; cutting of trees; selling unhygienic food-stuff and having cattle ponds in residential areas.

Our urban life is marked by a lack of civic sense and a craze for making monetary gains. For Panchayats to take root in this environment, a simultaneous promotion of the spirit of self-help and cooperation would be necessary. The

existence of Panchayats will also make it incumbent upon the municipal authorities to perform their duties just as citizens are expected to perform theirs. For instance, a KMC councillor may not be morally justified in penalising a citizen for throwing garbage on the road if KMC itself is not collecting garbage from the specified bins or if the bins just do not exist. Likewise, there has been a lot of talk about eradicating beggary but beggars have refused to disappear, partly because of deep-rooted social factors. Now begging is also an offence for Panchayats to deal with. It will be instructive to see how Panchayats will tackle this issue in the absence of institutions which house the beggars and try to rehabilitate them. The purpose of having a Panchayat in every electoral unit of the local bodies--a mohalla or a village--is basically to create an awareness of shared responsibility for the well-being of the community. The idea of disposing of a specified category of small causes locally seems intrinsically sound. It should promote social harmony and reduce the role of the police a little. Much will depend, finally, on the spirit in which the system is worked and on the integrity and impartiality of those who work it. At least in the cities, it should be taken as a process of trial and error. Improvements can be made on the basis of lessons learnt along the way.

CSO: 4220/82

# FRENCH OFFER OF HIGH TECHNOLOGY DISCLOSED

Lahore THE PAKISTAN TIMES in English 3 Nov 81 p 1

[Text]

KARACHI, Nov. 2: France is willing to transfer technology to Pakistan both simple and sophisticated and increase and strengthen economic co-operation. French Ambassador to Pakistan, Mr. Paul Henry, said here today.

In a meeting with the President of the Federation of Pakistan Chambers of Commerce and Industry, he said that France could offer technical assistance to Pakistan in the development of railways. He said that French railway system was amongst the best in the world. France he added had rendered assistance to a number of developing countries in improving their railway services and systems.

The French Ambassador also called the offer of his country to Pakistan for the progressive assembly and manufacture of 'Renault' trucks here with their technological assistance. But he added the project had not

yet materialised. Had that project materialised it would have been a concrete step to the direction of transfer of technology for which France would be ever willing on most attractive financial terms.

The French Ambassador said that he was much impressed by the knowledge, engineering skill and capabilities of Pakistan and in particular with their ability to handle sophisticated technology.

The Federation President, Mr. Mohammad Yousuf Zia, welcomed the offer of assistance in high technology and expressed the hope that their offer would be availed of.

He referred to the extremely cordial and warm relations between Pakistan and France and said if viewed in the light of these relations, the trade turnover could not be termed as satisfactory, particularly from Pakistan.—APP.

CSO: 4220/80

## RAILWAYS IN NEED OF HEAVY CAPITAL INVESTMENT

Karachi DAWN in English 4 Nov 81 p 10

[Text]

LAHORE, Nov 3: The Minister for Railways, Lt-Gen Saeed Qadir today said the Government proposed to provide financial assistance to the Railway department which was in dire need of heavy capital investment.

He estimated that the existing resources should be improved at least by 30 per cent to streamline the functioning of the department.

Addressing a Press conference the Minister said, the Government was conscious of the fact that the Railways needed improvements in all the three sections i.e., locomotives, carriages and track. The track between Lahore and Karachi was in proper functioning order barring a few patches here and there, but on other sections there was room for improvement. The locomotives, however, were in very bad shape, and were mainly responsible for late running of the trains.

He noted that out of 474 diesel locomotives 133 had already become overage by June this year and their number would go up to 136 by June next year. As against that the Government can procure only 110 engines during the next one year or so. Of these 36 are being imported from Japan, 42 existing engines will be com-

pletely overhauled, and another 30 would be obtained. Similarly, out of 411 steam engines as many as 344 had become overage. He noted that the Pakistan Railways were required to run 404 passenger trains, 58 mail trains, about 70 mixed trains, and 170 goods trains every day. To run these 700 trains the department had only 900 engines, a large number of which had outlived their utility. There was a great pressure on the locomotives leaving little time for their proper maintenance.

## COACHES FOR BANGLADESH

He disclosed that Pakistan Railways had won the tender for supplying 37 coaches to Bangladesh.

In reply to a question, he made it clear that the Administration had no intention of effecting any retrenchment of its employees. All it proposed to do was to transfer surplus staff from one section to the others which were understaffed. There was, however, complete ban on new recruitment.

Referring to the recent referendum for determining the CBA, he said the legal position was that a union obtaining one-third of the votes in voters' list alone could be declared as CBA. He, however,

added that it was for the NIRC to decide whether another referendum was needed and if the Commission so decided a fresh referendum would be held.

Answering another question, he said, it was again for the NIRC to decide if there had been any rigging in the referendum and if the Commission referred any cases of rigging the department would hold inquiry against those responsible.

APP adds:

The Minister said that the Railway was also trying to increase the number of bogies in a mail train from 16 to 18. But the scheme had been delayed due to the shortage of coaches. From today it had converted the dining car in 3-Up train into a Parlour car to create seating capacity for another 33 passengers.

He said that all the eight dining cars in the mail trains would be converted into Parlour cars. However, he added, kitchen would continue to function in these trains.

He said that the Government had provided funds in the current year's ADP for the manufacture of 110 coaches against the demand of funds for 150 coaches. The shortage of coaches would be gradually be overcome, he added.

## PROSPECTS FOR MORE TRADE WITH BRAZIL

Karachi DAWN in English 4 Nov 81 p 4

[Text]

LAHORE, Nov 3: The Brazilian Government is ready to lift ban on the import of certain items from Pakistan for opening wider avenues of bilateral trade between the two countries.

This was stated by the Brazilian Ambassador to Pakistan, Mr A C Diniz de Ananda at a formal meeting with the executive committee members of the Lahore Chamber of Commerce and Industry (LCCI) on Sunday.

He said spade work for an open market bilateral trade between the two countries had already been started for frequent exchange of visits of trade delegations. Brazil, he said, Pakistan, was interested in buying a number of commercial items from Pakistan besides importing a certain quantity of agriculture produce.

Regarding the import of some selected items from Pakistan which at present were banned in Brazil, he said, steps would be taken to remove restrictions on the import of Pakistani carpets, surgical instruments and sports goods. He suggested that a fixed portion of exportable essential

commodities, including rice from Pakistan, should be set aside for shipment to Brazil.

He assured the chamber that positive steps would be taken for the rationalisation of freight rates for Pakistan by the Brazilian shipping companies. For removing hurdles from financial transactions early measures would be adopted for closer contacts between Pakistani and Brazilian banks, especially among their branches in Europe and the United States, he added.

Though Brazil was not in favour of barter trade with any country due to its heavy debts, but on suggestions made by the LCCI possibilities of the same with Pakistan could be considered seriously, he said.

Later, Shahzada Alam Memon, President of the LCCI, who had recently led a trade delegation to Brazil, appreciated the offers made by the Brazilian Ambassador to narrow the existing trade gap between the two countries. He suggested that Brazil could export annually one to four million tonnes of iron ore to Pakistan.

CSO: 4220/83

## HIGH COURT ORDERS BHUTTO'S WIDOWS, OTHERS TO FILE WRITTEN STATEMENTS

Karachi DAWN in English 4 Nov 81 p 1

[Text]

The Sind High Court yesterday allowed one month's time to the heirs of late Z.A. Bhutto for filing written statements in the suit filed against them by the State for the recovery of Rs 46,73,113.78 spent by Mr Bhutto on the improvements of his mansions from the State Funds.

The next date of hearing of the suit has been fixed for Dec 2, 1981.

When the hearing began here yesterday before the Additional Registrar, Sind High Court, Vakalatnama was filed by Mr Abdul Hafeez Lakho, advocate, on behalf of five defendants, except Miss Benazir Bhutto, who is under custody.

The other defendants are Begum Nusrat Bhutto and Mai Amir Begum, widows of late Z.A. Bhutto, Ghulam Murtaza Bhutto and Shah Nawaz Bhutto and Sanam Bhutto, sons and daughter of late Z.A. Bhutto.

Ghulam Murtaza Bhutto and Shah Nawaz Bhutto, who are out of the country, have given power of attorney in favour of their mother, Begum Nusrat Bhutto,

which was submitted in the court yesterday.

Meanwhile, summonses have been served on Miss Benazir Bhutto through the Superintendent, Karachi Central Jail, where she is in custody. She has also been given one-month period to file her written statement in court.

Mr Abrar Ali, Advocate, appeared on behalf of the Advocate-General, Sind, who is representing the State in this suit.

The decree sought by the Government through the Secretary, Interior Division, Government of Pakistan, Islamabad is in respect of recovering from the estate of Mr Bhutto, the Government money spent on making improvements, additions and alterations and installation of air-conditioning plants in his private houses at Parkana and Karachi respectively.

The total expenditure, including the installation of air-conditioning plants, incurred on these houses was Rs 46,73,113.78 against which Mr Bhutto paid Rs 2,30,001.22 leaving a balance of Rs 44,43,112.56.—PP

CSO: 4220/83



## WORLD BANK TEAM IN HYDRABAD

Karachi DAWN in English 21 Oct 81 p 11

[Text]

HYDRABAD, Oct 20: A four-member World Bank team, which is currently on tour of Pakistan, arrived here yesterday for one-day stay to apprise itself with the development schemes of the city and urban town planning. Soon after their arrival the members of the team held a meeting with the concerned officers.

The Commissioner of Hyderabad Mr Abdullah J. Memon explained to the team the basic information regarding Hyderabad city and factors responsible for its growth and reasons for the intensity of problems in various sectors. He also referred to alarming situation caused by increased in underground water level in Hyderabad and Latifabad and said that a comprehensive study was carried out by WAPDA suggesting a number of measures to overcome this problem. However, these measures could not be implemented so far because of non-availability of necessary funds. The Commissioner also briefed the members of the team about the transport system in Hyderabad. The Director

Kachibadi informed the team about urban improvement introduced by Government for regularization of Kachibadi and added that a phased programme had been prepared for this purpose. He said that by 1991 all the 91 Kachibadi would be developed having a total population of more than 1770 families. The member (Technical) Hyderabad Development Authority said that under the existing arrangements 15 to 18 million gallons of water per day was being supplied to the citizens. He said that Greater Hyderabad Water Supply and Sewerage Project costing Rs 670 million was under execution with the financial assistance of Asian Development Bank. He informed the team that the plan had agreed to provide loan of 240 million rupees for this project on soft terms and added that this gigantic project would be completed by 1983-84 and would provide 30 million gallons of water per day to the citizens. The project would take care of the need of the population of Hyderabad upto 1990.

CSO: 4220/63-E

## CALL FOR SHAPING ECONOMY ON ISLAMIC LINES

Karachi DAWN In English 31 Oct 81 p 8

[Text] ISLAMABAD, Oct. 31—Prof. Khurshid Ahmad, Chairman, Institute of Policy Studies, has emphasised that restructuring of the monetary and fiscal system of our economy on Islamic lines is the most pressing demand in the Islamisation process.

He explained that most of the issues in this respect have been settled and the others are being thrashed out by the Muslim economists.

Prof. Khurshid stated this while launching the latest study produced jointly by King Abdul Aziz University and Institute of Policy Studies and prepared by Dr. Shaukat Jatoi and Dr. M. Fakhir Khan.

The study is titled, "Survey of Issues and a programme for research in monetary and fiscal economics of Islam".

He said that the study, based on the international seminar on "Monetary and fiscal economics of Islam" held in Islamabad on 8-10 January 1981, provides a general interpretative survey of important issues in the fields of monetary and fiscal economics of Islam on which some degree of consensus among Muslim economists has been reached as well as major controversies have been identified, and at the same time, he said, it brings into sharp focus the issues which require further dialogue and research.

## RIBA

In his statement Prof. Khurshid emphasised that the abolition of Riba and the introduction of Zakat are the cornerstones of the Islamic economic system. It is certainly true that these two institutions are not the end of Islamic economic reforms which is

a lengthy and very broad-based process, but these two will serve as catalysts in the long and arduous task of changing the chemistry of the economics of Muslim countries in accordance with the dictates of Shariah.

At the same time, however, Prof. Khurshid said, the study equally emphasises that Islamic economic system is not capitalism minus interest plus Zakat, nor is it a socialist system after making a few corrections here and there.

Prof. Khurshid described a long list of subjects dealt in the study including the functions of money and banking, the institutional structure for an Islamic monetary system, objectives of public policy, components and mechanism of Islamic fiscal policy, role of state, resource allocation in an Islamic framework and many more. The core of the study, he said, comprises of the analysis of the implications of the introduction of Islamic monetary and fiscal system for crucial economic variables and for public policy. Prof. Khurshid suggested several alternatives to interest-based operations which include Murabahah or Bai Mu'ajjal, hirepurchase, leasing, investment cushioning financing on the basis of a normal rate of return, service charge and indemnation. Reflecting the general feeling of the Islamabad seminar and in general the opinion of a large majority of Muslim economists, Prof. Khurshid concluded that a real and permanent solution can only be a system based on profit sharing for productive funds and Qarz-i-Hasnah for non-productive loans. Any support for any other alternative mentioned above is categorically conditional in that the instrument will be

used only in the transitional period.

Regarding an appropriate strategy for the implementation of the new system, Prof. Khurshid suggested that efforts to establish the Islamic economic order or any part of it will require simultaneous efforts to restructure the entire society and to transform the whole social milieu to make it consistent with Islamic values and principles. He further said, complete abolition of interest is going to be a revolutionary step, as it would entail a new approach to economic enterprise and financial cooperation resulting in the rise of new institutions and emergence of new relationships strengthened by a new set of motives and values. The final change, he added, would be radical, yet it would be achieved gradually.

Nevertheless, every dose of reforms has to be large and effective enough to produce some significant change in the desired direction. Infinitesimally small changes on the periphery are not going to transform the system, nor would the strategy of waiting for the ideal day when total reform can be introduced is going to lead to wards any change.—APP

## EDITORIAL SCORES GROWING MENACE OF FOOD ADULTERATION

Lahore THE PAKISTAN TIMES in English 3 Nov 81 p 4

[Editorial: "A Growing Menace"]

[Text]

The Mayor of Lahore has appealed to President Zia-ul-Haq to promulgate a Martial Law Order to award deterrent punishment to food adulterators. At a Press conference he said that the existing laws on the subject were inadequate and dilatory for which reason cases relating to the offence remained pending for years and the culprits got away easily. The appeal is significant for coming in the wake of the anti-adulteration drive which LMC launched a few weeks back. The lessons learned in the course of the drive have evidently made the city fathers wiser about how to deal with the perennial evil. There is no gainsaying the fact that the malpractice is widespread and deep-rooted and cannot be eliminated by piecemeal, fitful action. There is hardly a food item in the market today that is not contaminated. One is never sure about the purity of a product in powder

or liquid form. Milk is a pertinent example: out of the 280 samples collected during October 240 were found to contain impurities of various kinds. In the case of other items of food the figure was 493 out of 838.

Two things stand in the way of a solution of the problem. The first is the inadequacy of the inspection machinery. The number of food inspectors is short; worse whatever samples are collected are not analysed at the requisite pace because of the insufficiency of laboratory facilities. LMC has lately tried to ginger up the inspection and laboratory staff as part of its anti-adulteration drive. This should result in speedier gathering of samples and chemical analysis of the same. It is, however, in the area of legal action against the erring traders that the real, long-term solution lies. As the Lahore Mayor rightly

pointed out, food adulteration had increased manifold owing to slow disposal of cases and mild punishment. The fact that an offender is let off rather lightly is an indirect encouragement to him to repeat his tricks. A fine of a few hundred rupees hardly matters to him because in a few days' operation he can make double and triple that amount. Food adulteration is no less than administering poison to the people, which requires that the crime be treated on the same level as an attempt to kill. It is for this reason that in many countries food adulteration attracts the maximum punishment. The relevant laws in our country should also be suitably stiffened to combat the menace. Long prison terms coupled with confiscation of property should act as an effective deterrent against the commission and repetition of the crime.

## SURVEY SHOWS DIRE NEED TO INCREASE MILK, MEAT PRODUCTION

Lahore THE PAKISTAN TIMES in English 2 Nov 81 p 3

[Text]

The production of meat and milk needs to be stepped up considerably in order to control the prices of the two commodities and to save the enormous amount of foreign exchange being spent on the import of powdered milk.

The demand for meat is growing owing to a number of factors. These include the growth in population, inflation and preference for the meat. The traditional liking for meat has made it an essential ingredient of our daily intake of food.

According to a survey conducted by the Livestock Division of the Federal Government, 44.53 per cent of the total population like mutton, 44.19 per cent eat beef and 4.98 per cent use chicken. The prices of mutton and beef rose by about 15 per cent from Oct. 1980 to Oct. 1981.

The indigenous production of meat and milk falls short of overall requirements. In 1980-81, foreign exchange worth Rs 41 crore was spent on the import of powdered milk for meeting the deficiency on the national level. In 1978-79, the expenditure amounted to Rs 19 crore. It is estimated that the imported milk costs Rs 10.04 per litre as against Rs 4.00 per litre of the indigenous milk having the same nutritive content.

The increase in the prices of vegetables also rose sharply in the last two years. According to another official survey conducted on the Provincial level, there was 84.6 per cent rise in case of potatoes and 21 per cent increase in case of onions. The prices of pulses touched the unprecedented high. The rate of Masoor registered 158.2 per cent increase and of Gram 48.4 per cent rise. The price of Arhar went up by 23 per cent and of maize by 45 per cent.

Municipal Committees, Town Committees and other local bodies are not making any worthwhile effort to improve or encourage livestock breeding. They are receiving a lot of income in the form of fees on the slaughtering of animals and other taxes but are spending very little on the improvement of animal health. It is estimated that the local bodies annual income amounts to 7.64 crore and their expenditure on livestock development is only Rs 1.75 crore. The expenditure per animal in the form of vaccination and provision of medicines works up to only 15 paise.

The allocation for livestock development in the Provincial Annual Development Programme

was Rs 9.57 crore in 1978-79, Rs 6.66 crore in 1979-80 and Rs 7.23 crore in 1980-81. In 1978-79, it was only 2 per cent of the total allocation and was raised to only 3 per cent in 1980-81. It's far too low in view of the fact that demand for milk and meat is constantly rising and over Rs 40 crore are being consumed annually by the import of milk. As such, the allocation for livestock and dairy development needs to be raised considerably.

The Provincial Livestock and Dairy Development Department is running 10 livestock farms for the scientific and experimental breeding of cattle. A new one is under establishment at Rakh Dera Chal, about 15 miles from Lahore on the Bedian Road. Another is proposed to be set up in Mianwali District. The two are estimated to cost Rs 70.35 lakh. The farm at Rakh Dera Chal is spread over 700 acres and the Mianwali farm will occupy about 9000 acres. Modern machinery for the production of milk is to be installed at these places. Cross-breeding of local and some foreign cattle varieties has already been undertaken at Rakh Dera Chal.

## CONSTRUCTION WORK ON QUETTA GAS PIPELINE IN FULL SWING

Karachi DAWN in English 2 Nov 81 p 8

[Text]

ISLAMABAD, Nov. 1: The construction work on the 12 inches diameter 349 kilometers long natural gas pipeline to Quetta is now in full swing.

It is estimated that new pipeline will result in foreign exchange saving Rs 272 million per year over 10 years projected period.

The new pipeline will pass through Jambabad, Jhatpat, Dera Murad Jamali, Sibbi, Bibinani, Mach, Darwaza and Sarish and terminate at Quetta.

The pipeline has been designed and is being constructed completely by Pakistani engineers. It will carry 45 million cubic feet of gas daily to Baluchistan from the Sul and Purkoh gas fields.

The terrain to which it will pass varies from paddy fields of Sind, the harsh deserts, one of the hottest regions in the world, the Bolan River bed and the freezing Bolan valley, to the city of Quetta.

A total of 18,000 metric tons of pipeline will be required for this prestigious project which will replace the use of liquefied petroleum gas in Quetta which at present is being transported from Karachi.

The natural gas supply through the Quetta pipeline will be a dependable and long term solution to the energy problem in the areas to be served in Sind and Baluchistan provinces.

## JOB OPPORTUNITIES

As a result of the implementation of the project, job opportunities for skilled and unskilled workers will be directly created during its implementation phase and for maintenance after its completion.

Various industrial units will be established with the availability of gas which will also create job opportunities in the under-developed regions.

In the power and industrial sectors, the units include the WAPDA thermal power plants which will utilize the bulk of the gas demand, other potential industrial units are: a 1000 tons daily capacity cement plant at Darwaza, rice husking mills at Jacobabad a 9000 tons daily capacity vegetable ghee plant at Dera Murad Jamali and 15000 ton per year capacity paper and straw board mill at Jhatpat.

The Baluchistan Government has set up an industrial estate near Sarish spread over 1000 acres.

Substantial financial incentives are being given to the private sector for establishing industrial units in the estate.

In the domestic sector, the consumption of gas is expected to rise at an annual rate of between 30 and 40 per cent between 1982 and 1994 and will stabilise at about 12 per cent in the end of the projected period ending 1993. 92.—PPI

## FURTHER LIBERALIZATION OF IMPORT POLICY REPORTED

Islamabad THE MUSLIM in English 2 Nov 81 p 7

[Text]

KARACHI, Nov. 1: The Federal Commerce Secretary, Izharul Haq said here today that the government Import Policy on the import of raw material and capital goods would not only be maintained but further liberalised.

In a meeting with leading members of the trading community at the Federation of Pakistan Chambers of Commerce and Industry, he clarified and explained the import and export policies of the government which are aimed at increasing national production and exports.

Mr. Izhar said, government did not believe in providing protection to one local industry at the cost of other industry.

Replying to various points raised during discussion, the Federal Secretary expressed the hope that next cotton crop would be "good". He said, the Cotton Export Corporation had some carry-over stock and with the harvest of new crop, export agents from private sector could participate in the export of cotton.

He defended the government decision of keeping the export of cotton in the public sector and said this was done to ensure support price to the growers.

As regards the working of the Trading Corporation of Pakistan (TCP), Mr. Izhar said that this main items of imports were billet, pig iron, coke and non-ferrous metal. He said, Pakistan steel was now producing pig iron and coke, and hence these would no longer be imported. He added that in a few months time, Pakistan steel would

also start production of billet.

The other main item was edible oil which is being imported by the TCP for the Ghee Corporation of Pakistan.

About the shortage of pulses in the country, the Secretary said that licences worth Rs. 28 crore had been issued. He said that pulse crop suffered for two consecutive years and hence the country faced the shortage of pulses.

He hoped that with the import of sufficient quantity of pulses, things had started improving.

As regards the export of potato and onion, the Secretary said that the government allowed their export only when it found that the production was more than the required quantity for local consumption. He said, if their export was not allowed, its prices would have crashed, causing loss to the growers. In that case, the growers would not have taken interest in production of these items.

The President of the Federation, Mohammad Yousuf Zia pleaded for the reduction of the rate of duty on capital goods and machinery. He said that the appreciation of dollars was causing difficulty in the field of export.

He underlined the need for the early announcement of the integrated Labour Policy. He said, in the new Labour Policy, production be linked with wages.

He also suggested purchase of small ships by the Pakistan National Shipping Corporation, because of non-availability of ships, African and Latin American markets could not yet been fully explored.

Mr. Zia said that the problem of power and water etc. was also affecting production and export.



## EXPORT POLICY ON SURPLUS FARM PRODUCTS EXPLAINED

Karachi MORNING NEWS in English 2 Oct 81 p 5

[Text] The Government has allowed export of only those food and vegetable items which are surplus after meeting home requirements.

Spelling out the Government policy with regard to export of farm products including potatoes and onions, the Federal Commerce Secretary, Mr Ishaq Haq, maintained that export of these items have been permitted with a view to safeguarding the interests of the growers. He explained that excessive production of potatoes and onions resulted in a crash of prices which deprived the growers of fair return.

Addressing the Federation of Pakistan Chambers of Commerce and Industry yesterday, the Commerce Secretary said the production of potatoes had registered an increase which was surplus after meeting home consumption. In view of this, the Government permitted export of this item. Similarly when the production of onion was excessive to the local demand it was exported.

About the shortage of pulses, Mr Haq said the crop of gram had suffered setback in the last two years due to insufficient rain and bad quality seeds. In order to help overcome the shortage, the Government have made arrangements for import of pulses worth Rs 25 crore to cater to the need of the consumers. In the import policy pulses have been placed in the free list to help private sector to import this item. He denied the allegation that shortage of pulses has been caused because special permits were issued for

export of this item. He said special permits had been issued to few individuals who were not Pakistanis and added the quantity thus exported was so negligible to cause any significant impact on the local consumption.

## IMPORT POLICY

The Commerce Secretary assured the business community that the present trend of liberal import policy providing import of raw materials and capital goods would not only be maintained, but it would be further liberalised and simplified.

Defending the role of Trading Corporation of Pakistan, Mr Haq said it was importing pig iron, coke and billet and as such the private sector should not have grudge against it. As regard pig iron and billet, he said these items would be exported soon as Pakistan Steel was making enough production which would be surplus after meeting home demand.

In addition to this, he maintained, the TCP was importing edible oil for the Ghee Corporation which is also a public sector organisation. It was also importing caustic soda and soda ash to help supplement local production which was adequate to meet the local demand.

## COTTON EXPORT

The Commerce Secretary said cotton export has been given to public sector since 1974 with the introduction of support price to safeguard the interest of the growers. He said private sector could not be entrusted the responsibility of cotton ex-

port because of price support factor. He, however, said the Cotton Export Corporation has been given specific instructions to involve the private sector in this trade so that it could be benefited by their expertise. He said the Corporation has appointed large number of agents from private sector who are helping the export of cotton. He stated that the harvest of cotton this year was good which with the little carry over of last year would be exported with the support of private agents.

## PROBLEMS

Mr Mohammad Yousaf Zia, President of the Federation of Chambers of Commerce and Industry, outlining the problems faced by exporters suggested rebate in the import of machineries and spare parts.

He said appreciation in the value of dollar was causing lot of problems for the Pakistani exporters. He asked the Government to make a clear-cut policy in this regard.

About the World Bank's insistence to devalue the currency, Mr Zia said this could not be entertained in view of the past experience of devaluation. He, however, suggested this problem could be resolved by allowing export rebate in certain items.

Mr Zia complained that shortage of electricity and water were hampering export. He stressed the need of giving due attention to provide infrastructure facilities to help boost export. He also demanded a comprehensive labour policy which could fit into our export promotion strategy.



## TWO MORE GENERATORS AT MANGLA POWER STATION

Islamabad THE MUSLIM in English 2 Nov 81 p 6

[Text]

MANGLA, Nov. 1: The Water and Power Development Authority (WAPDA) has successfully commissioned two additional generators at its Mangla Power Station with the capacity of 100,000 kilowatt each.

The two new generating units have been installed in the newly built 4th tunnel of the Mangla Power House under the Mangla Hydroelectric Extension Project and have raised the total generating capacity of Mangla Power House to 800,000 kilowatt, making it the biggest power station of the country for the time being.

The Chief Engineer, Mangla Power Station, Mehmudul Hasan Qureshi, told a party of Lahore newsmen yesterday that the extension project had been completed within a period of four years at a total cost of Rs600 million involving a foreign exchange component of Rs380 million, mainly provided by the Asian Development Bank.

The chief engineer said the two generators were on trial production since May last and had produced over 400 million power units so far.

According to the Chief Engineer, about 80 per cent of the work on extension project had been handled by Pakistani engineers and technicians associated with local firms.

Replying to questions from newsmen, Mehmudul Hasan Qureshi said that Mangla Power

House was providing about 40 per cent of the total power consumption all over the country excluding Karachi.

About further extension capacity of this gigantic power house, situated in the feet of the sprawling Mangla Dam, the Chief Engineer said there was provision for the installation of a 5th tunnel having two more generating units of 100,000 each. He said two more generators if installed without raising the dam level, could function for a period of eight months in a year but these could operate throughout the year if the dam level was raised by another 40 feet.

He said, further raising of dam level involved a colossal expenditure of around Rs5000 million. Nevertheless, he said, it would not be uneconomical to install two more generators without raising dam level in view of the present prices of oil and gas. He said that a proposal in this respect was presently under consideration by WAPDA authorities and would be submitted to the government later.

In reply to a question about the problem of silt the Chief Engineer said that the flow of silt into the dam was much less than it was expected in the beginning. This was primarily due to water shed management and the plantation of plants, trees and grass in the water shed area.

Previously, he said, it was estimated that due to silt problem, the Mangla Dam would have a life of 75 years only. However, he said, according to the current estimates, the dam could safely function for about 125 years - APP

## BRIEFS

**SIND LIVESTOCK PROJECTS**--The Asian Development Bank will extend financial and technical assistance for development of livestock potential in Sind, the visiting five-member project identification mission of the Bank told Provincial Food and Agriculture Minister, Sardar Ghulam Mohammad Mahar, at a meeting yesterday. The leader of the mission, Mr Robert Harrison informed that during their visit to the interior of Sind, they were impressed with the quality and quantity of the animals of all breeds. He said the main areas where initial gain in livestock production could be made were disease control, better nutrition, and selection within local breeds of animals without using exotic blood at this stage, besides help to the farmers in better marketing. The mission is on a two-month extensive tour of the Province for survey and feasibility study. [Text] [Karachi DAWN in English 21 Oct 81 p 12]

**WHEAT TARGET FOR SIND**--The Federal Committee for Agriculture has fixed a wheat target of 20.60 lakh tonnes on 10.30 lakh hectares in Sind this year, provincial agriculture secretary, Mr S.M. Wasim, told a radio news conference yesterday. Since 1975-76 there had been an almost 100 per cent increase in wheat production, particularly during the last three years. He said during the last 6 years there had been an increase of 29 per cent in the area under wheat cultivation and 40 per cent in the production, cultivation area is somewhat constant for the last 3 years because of land and irrigation water limitations. Fertilizer consumption increased from 9 per cent in the last Rabi to 11 per cent in kharif and was expected to further go up to 15 per cent this year. Government has sufficient stocks to meet 1.71 lakh nutrient tons of fertilizer requirement this year, he said. Mr Wasim said the government will provide all encouragement to the private sector to construct godowns and storages. Private godowns having capacity of 2 lakh tons were hired to store procured wheat in Sind last year. This year the government procured 7 lakh tons of wheat as against the target of 4.80 lakh tons. Storage capacity with the government was for 5 lakh tons. PASCO and NLC have made available space for one lakh tones each.--PPI/APP [Text] [Karachi DAWN in English 21 Oct 81 p 11]

**SIND TARGETS FOR LENTILS**--The Sind Government has fixed a target of about 1.80 lakh metric tons of gram, matri and masoor during the 1981-82 Rabi season, says an official handout. Announcing the targets, the Provincial Food and Agriculture Minister, Sardar Ghulam Mohammad Mahar, said pulses will be grown on 7.02 lakh acres, and action plans have been laid down with the approval of the Federal Committee on agriculture. Gram will be cultivated on 3.46 lakh acres with production target of 1.12 lakh metric tons; peas (matri) area and production target is 3.21 lakh acres and 62,400 metric tons, and masoor 35,000 acres and 6.500

metric tons. To achieve the targets, grow-more-pulses campaign is being launched. The Minister appealed to the growers to cooperate to achieve the targets. [Text] [Karachi DAWN in English 21 Oct 81 p 9]

**CHAUDHRY ZAHUR ELAHI MURDER**--Chaudhry Zahur Elahi was empowered for taking "appropriate steps" for reunification of the warring groups of the defunct Muslim League, PML sources said in Karachi. According to these sources, former Federal Minister Chaudhry Zahur Elahi had held a meeting with Pir Pagaro some time before his assassination and had submitted a reconciliation plan. The Pakistan Muslim League (Pagaro group) called its working committee meeting in Lahore on August 14 and discussed Chaudhry Zahur Elahi's reunification plan. The meeting later unanimously empowered Chaudhry Zahur Elahi to take measures for bringing about the unity in the party, the sources added.--PPI [Text] [Karachi DAWN in English 21 Oct 81 p 8]

**UTHAL TEXTILE MILL**--Pakistan-Iran Textile Mills at Uthal (Lasbela), the biggest textile complex in the public sector in the country, will attain full production early next year earning Rs 122.90 million foreign exchange through exports, the visiting 3-member Iranian delegation was told during a tour of the mills yesterday. After the visit, the delegation described the project as a "monument of cooperation." It is a pleasing sight to see the wonderful, huge project in the heart of desert." A member of the delegation wrote "I appreciate the efforts of Pakistani brethren to develop this backward area and improve the standard of living in the people. Governments of the two countries will cooperate for eliminating the existing problems." The mills had drawn up a five-year plan for the development of this complex. Its first phase is due for completion on Dec 31, 1981 attaining 100 per cent installation of production machinery and ancillary facilities. During second phase in 1982-83, it will attain and stabilise full production. The second phase also envisages plan to modernise and balance the machinery and the setting up of design cell and 100 per cent quarters for workers. In the third phase, to be completed during 1984-85, new technology would be devised to improve the quality of the products etc. A Dutch firm has offered to lift machinery for printing.--APP [Text] [Karachi DAWN in English 3 Nov 81 p 9]

**BALUCHISTAN INDUSTRIAL UPLIFT**--Quetta, Nov 2--The Government of Baluchistan is determined to promote and expand the industries of the province in order to achieve better benefits for industrial hands besides providing more job opportunities. The Baluchistan Government is spending Rs 25.222 million on completion of three ongoing schemes and establishment of a new industrial estate during the fiscal year 1981-82. The three ongoing schemes include completion of industrial estates at Habhand at Suriab Road, Quetta and wool spinning plant at Mustang. The three new schemes envisage the construction of building for existing carpet centre at Killi Sheikhan (Quetta), project identification for Baluchistan province and expansion of Government Press and Stationery Department.--APP [Karachi DAWN in English 3 Nov 81 p 4]

**PUSHTO BOOKLET FORFEITURE**--Peshawar, Nov 3--The Government of NWFP has forfeited the Pushto booklet captioned "National proclamation of Ningarbar, Kunhar and Lagham" published by the Afghan Refugees Intiqame Islami, Afghanistan Group, led by Azizur Rehman Ulfat with immediate effect. The booklet contained false rumours. APP [Text] [Karachi DAWN in English 4 Nov 81 p 4]

CANADIAN LOAN--Islamabad, Nov 1--Canada will give a loan of \$34.5 million to Pakistan under an agreement signed here today by Mr Ejaz Ahmad Naik Secretary Economic Affairs Division and Mr W.T. Warden, Canadian Ambassador, on behalf of their respective Governments. The amount will be used by the Pakistan Railways for purchasing kits, components and associated equipment for rehabilitation of their old unserviceable diesel locomotives. The loan is interest-free, repayable over a period of 50 years, including a grace period of 10 years.--APP [Text] [Lahore THE PAKISTAN TIMES in English 2 Nov 81 p 10]

FUTURE ISLAMIC POLITICAL STRUCTURE--Islamabad, Nov 2--The Council of Islamic Ideology met here today under the chairmanship of Mr Justice Dr Tanzeelur Rehman, Chairman of the Council. Discussions during the meeting centred round the future political structure in conformity with the tenets of Islam. The meeting is expected to last till November 12. During its meeting the Council will also take up a report by one of its committees on the Law of Evidence. Official sources said the current session of the Council was going to be longest since its reconstitution last June and it might be extended for a day or two, if it could not dispose of its agenda.--APP [Text] [Lahore THE PAKISTAN TIMES in English 3 Nov 81 p 1]

CSO: 4220/80

## REMITTANCES SEEN AS MAINSTAY OF THE ECONOMY

Kuala Lumpur BUSINESS TIMES in English 5 Oct 81 p 6

[Article by Anthony Shang]

[Text]

REMITTANCES from overseas Filipinos are a major export earner for the Philippines government and could well become the major foreign exchange earner this year.

Alberto Pedrosa, founder of the UK based United Filipino Association, points out that official government figures underestimate the importance of these remittances.

A conservative estimate would suggest that there are approximately 300,000-400,000 Filipinos working overseas as migrants. Most of them would have families and relatives back home in receipt of remittance. This figure excludes Filipino contract workers working in construction projects in the Middle East and elsewhere and emigrants who left the country before 1973. If one included these categories the number would be in the region of 1.55 million. In addition those Filipinos who went abroad as tourists and are now working overseas would not appear as 'migrants' in official statistics.

Official figures from the Central Bank show that migrants' remittances came to US\$359 million in 1979. The publication *Business Day* estimated remittances to have reached US\$1 billion in that year. Fig-

ures released by the Ministry of Labour also puts migrants' remittances for 1980 at US\$1 billion.

On the basis of the UK experience, Mr Pedrosa believes that Central Bank figures considerably understate the real contributions by overseas workers. It has been estimated that Britain's 20,000 Filipinos remit, on average, £100 per month which is approximately 1/4 of their take home pay. World-wide, it would only take 400,000 Filipinos to remit US\$200 per month or 500,000 workers to send \$167 per month for the US\$1 billion mark to be reached.

Central Bank figures are based on data provided by commercial banks who normally handle the exchange from dollars to pesos. These figures do not take into account dollars remitted through other channels or dollars not reported by the agent banks.

Workers' remittances, according to conservative Central Bank figures, was the third largest dollar earner in 1979 coming behind coconut oil and copper concentrates. Overseas remittances clearly outranked export earnings from any industry that benefited from the formidable array of incentives and inducements of the Philippines government. In fact, the much

vaunted semi-conductors and tourist industries only came a poor fourth and seventh in the dollar-earning league table.

Mr Pedrosa claims that there are absolutely no costs to the country incidental to the earnings of Filipino overseas workers. In comparison, therefore, the net contributions from foreign investments are totally dwarfed by the benefits given the country by overseas worker. To reduce this disparity the United Filipino Association are lobbying their government to provide some benefits to migrant workers and their dependants.

There are several ways in which the government could help migrant workers. Filipino overseas workers are currently liable for double taxation. A progressive tax rate is levied by the Embassy in London with a ceiling of 3% on net income of US\$20,000 and over. The amount exempted from this levy includes the local tax paid and the single or married person's allowances. Crude estimates suggest that the Philippines government receives over US\$20 million per year through this income levy on overseas workers. According to Mr Pedrosa, taxes paid to the host country should be accepted as full payment of any tax liability to the Philippines government.

Another incentive would be to allow migrants to claim tax credits for expenses incurred in travelling to the host country abroad. Such expenses include air fares, agency fees and passport fees.

A sore point amongst overseas Filipinos is the high passport fees charged by the government. Passports have to be renewed every two years. Over a four year period, passport costs amount to US\$60 for issuance and renewal. This is three times more than the cost for an Egyptian worker and 60 times the cost for someone from Trinidad and Tobago.

The short period of a passport's validity is a great inconvenience to Filipino migrants who have to sacrifice working time to make their applications. For the government, it is a lucrative source of foreign exchange earnings. Unlike Filipino tourists, migrant workers pay fees in hard currency.

Low cost housing loans, medical care, unemployment benefits, a pension scheme and life insurance, with subsidised premiums are, in Mr Pedrosa's view, some of the benefits migrant workers and their families should reap in their old age as a reward for their contribution to the economy. — Third World Media



## GOVERNMENT TO CURB ITS PARTICIPATION IN PRIVATE BUSINESS

Kuala Lumpur BUSINESS TIMES in English 24 Sep 81 p 6

[Article by Mario Baluyot in Manila]

[Text] PRIME Minister Cesar Virata now applies his economic wizardry to get the Philippines economy off rough ground by scuttling all forms of government protection and eventually getting the government out of private business.

The first has already set off white-hot controversy following the recent temporary scrapping of the coconut levy of 76 centavos (about 9 US cents) per kilo of copra to allow market forces to determine the right price.

Several coconut industry groups including the Philippine Coconut Authority (PCA) are up in arms as domestic copra prices which used to average 170 pesos per 100 kilos crashed to as low as 70 to 140 pesos in different parts of the country.

Concurrently Finance Minister, Mr Virata is tasked with the immediate goal bringing the country out of the current recession better equipped to face the challenge of achieving its growth targets.

Based on the projected recovery of the economies of the country's major trading partners, he is optimistic that the Philippines will equal in 1981 if not surpass the 5.5 per cent growth posted by its economy last year.

But the more pressing tasks which are expected to "make or break" him in his job are the specific problem areas.

Foremost among these is the Philippines' mounting foreign debt which stood as of June, this year, at US\$14.139 billion, an amount which increased by 11 per cent or US\$1.438 billion in six months. As of year-end 1980, total foreign debt was US\$12.701 billion.

Another is the growing problem of unemployment, underemployment and labour-wage issue. Based on Labour Ministry statistics, current unemployment rate in the country is 5 per cent or 900,000 of the 18 million labour force, underemployment stands at 12 per cent which could even go as high as 25 per cent if marginal earners are included.

Despite a new law restoring the workers' right to strike, organised labour continues to be restive and clash with the management which refuses demands for higher wages due to the current slowdown in production.

Other problems are double-digit inflation, currently hovering from 12 to 13 per cent and the snail's pace of industrialisation which has yet to take off after several decades, and easing the financial crisis triggered by the Dewy Dee fiasco early this year.

As early as 1980, the government had announced its adoption of a "free market" policy with the floating of the interest rates last July to allow the interplay of

market forces to determine the applicable level in the banking system.

This policy was carried further by the scrapping of the coconut levy. Much earlier, the annual fertiliser subsidy enjoyed for years by the agricultural sector was cancelled.

The campaign to eventually stop all forms of major government protection took shape when discovery came that many medium-sized industries became "too content" with privileges extended by the government that they were reluctant to expand and modernise.

Other moves such as the streamlining of government operations, the reduction of the country's foreign borrowings and the drive to encourage domestic savings as anti-inflationary measure are considered the handiwork of Mr Virata.

So is the government's policy that once recovery is completed, it would divest publicly its equity investments sunk into distressed industries bailed out by public funds. The announcement that the government would curb its participation in private business is also credited to him.

From this latter measure alone, the government is expected to generate savings of 15.50 billion pesos (about US\$2.037 billion) in the next two years enabling it to finance more important projects.

Some funds generated from these measures have already been channelled to the government's ambitious "livelihood" programme aimed at increasing grassroots income nationwide by setting up viable projects and ensuring a market for its products.

All these need time and President Ferdinand Marcos, earlier disposed to giving Mr Virata only one year before rotating him out of the prime ministership, now agrees to give the Virata stewardship much more than one year to get the country going economically. — AFP



## NEW PARTY'S TASK IS TO PROVIDE CREDIBLE OPPOSITION

Kuala Lumpur BUSINESS TIMES in English 19 Sep 81 p 6

[Article by Francis Daniel]

[Excerpts] A NEW political party will be formally inaugurated here next week, raising hopes among many Singaporeans that it will pave the way to end the Parliamentary domination of Prime Minister Lee Kuan Yew's People's Action Party (PAP).

Led by 43-year-old lawyer Chiam See Tong, the Singapore Democratic Party (SDP) has announced that its immediate task is to provide a "credible and responsible opposition" and break the PAP's monopoly in Parliament.

Mr Chiam has made clear, however, that he has no illusions about the strength of the PAP which has made almost all opposition groups politically impotent since it swept to power in 1959.

"There must be a political reawakening in our people if their interests are not to be finally subjugated to one single will," Mr Chiam told *Reuters*.

The SDP, which describes itself as "democratic socialist," made its debut in the elections last December, almost immediately after its registration. Its three candidates, including secretary general Mr Chiam, were all defeated.

But Mr Chiam, who had lost two previous elections as an independent candidate, took more than 40 per cent of the

votes cast under the SDP ticket, surprising even some of the PAP organisers. The SDP's share of the votes was 30.06 per cent, the highest among all the opposition parties.

"Now we are more organised. We hope to increase our strength further after the inauguration," said Mr Chiam.

He also held out the possibility of a political coalition between SDP and Singapore's other major opposition group, the Workers' Party, led by lawyer, Joshua Benjamin Jeyaratnam.

Mr Jeyaratnam who narrowly lost the last election, has also expressed a desire to join other opposition parties in a united front against the ruling party.

Besides the SDP and the Workers' Party, there are a dozen opposition groups in Singapore, but are weak and fragmented.

Mr Chiam was a guest speaker at a Workers' Party rally last month, and Mr Jeyaratnam will address the SDP's inauguration, demonstrating a common wish to work together.

But PAP officials said they did not consider either the Workers' Party or the SDP a serious challenge. A coalition between the two opposition groups would have little

effect on the ruling party's political standing, they added.

PAP leaders told Singaporeans during the last elections that even one opposition member in Parliament would shake the confidence of foreign investors and rock the political and economic stability of the island.

The giant PAP political machine, under the leadership of Prime Minister Lee, has extended its influence to almost every strata of Singapore's multi-racial society.

It has more than 100 party offices throughout the 600 square kilometre (240 square mile) island and controls virtually every aspect of Singapore's political, economic and social life.

Its activities include running kindergartens and community centres which help draw support for the party at grassroots level.

The SDP is trying to find suitable accommodation for its headquarters. Mr Chiam said his party's attempts to find a place had been thwarted by "government bureaucracy."

The government's Housing and Development Board (HDB), which owns a large number of housing estates and shopping complexes, has refused to

rent premises to the SDP although the ruling party had offices in several of them, Mr Chiam said.

The SDP's manifesto calls for the safeguarding of individual rights, including freedom of speech and freedom of the Press.

It promises to work for continued political and economic stability and safeguard foreign investments and foreign property in Singapore.

The PAP's theme is still "continuity and consolidation." They have set themselves an economic growth rate target of about eight per cent throughout this decade.

Judging from their past performance, they could well achieve this goal. But inflation is rising and many people have started openly questioning some of the government's policies.

Mr Lee has told the nation to work harder to prepare for difficult times ahead.

But Mr Chiam said, "So concerned are we with pursuing material gains that many of us are even prepared to act against our political conscience because we fear these gains may be taken away from us."

One of the SDP's tasks will be to teach Singaporeans not to surrender political freedom in exchange for "material blandishments," Mr Chiam said. — *Reuter*

## BANDARANAIKE, SON ON OPPOSITE SIDES IN PARTY DISPUTE

Kuala Lumpur BUSINESS TIMES in English 29 Sep 81 p 6

[Article by Mallika Wanigasundara in Colombo]

[Text]

THE bitter in-fighting within the Sri Lanka Freedom Party, the country's largest opposition party, has reached the court following a series of dramatic events.

One of the two warring SLFP factions, led by Maitripala Senanayake, is seeking an injunction in the Colombo district court to stop the suspension order of Mrs Sirima Bandaranaike, party leader, against him and 12 others. The 13 members have been suspended from membership of the party's politburo.

Among those suspended is Mrs Bandaranaike's only son, Anura.

The court case is the culmination of the raging battle within the SLFP for the party leadership and control of the party apparatus and its headquarters, which both factions "captured" in turn. The headquarters is now sealed by the government.

The fight is also being aired in the media — to the ruling party's elation. In one of the party's stormiest confrontations, letters from both sides have been published even in the government-controlled Press.

Accusations, counter-accusations, party secrets, outpourings of invective and wide-ranging explanations and recriminations have coloured the letters and Press statements of Mrs Bandaranaike and Mr Senanayake.

All this is evidence of the boiling over of the split which now threatens to tear asunder permanently the unity of the SLFP which held the reins of power twice more after Mr S.W.R.D. Bandaranaike's shattering landslide victory in 1954.

Ranged on either side are mother and son. In a strange quirk of circumstance in a country where blood is thicker than water, Mrs Bandaranaike finds her only son Anura throwing himself on the side of Mr Senanayake, SLFP Member of Parliament for Medawachchiya. He has been an SLFP member since 1953 and deputy party leader.

With Mrs Bandaranaike are several SLFP old-timers like T.B. Illangaratne, Hector Kobbekaduwa, Felix Dias Bandaranaike (one of the most controversial figures in the party), Ratnasiri Wickremamanyake (general secretary of the party), her daughter Chandrika Kumaratunga and the latter's film star husband Vijaya.

According to Mrs Bandaranaike, the party "rebels" started the move away from her leadership after her disenfranchisement last year. She has accused Mr Senanayake and his group of plotting to oust her from the party leadership.

Mrs Bandaranaike has also accused the Senanayake group of conniving with the government to deprive her of her civic rights.

The elections are due in 1982. In case of an SLFP victory, she cannot be prime minister unless her civic rights are restored. Nor can she contest for the presidency in a referendum. Thus, she has accused the dissident faction of being hungry for power, now that it is within their reach.

The Senanayake group, on the other hand, has accused Mrs Bandaranaike of trying to be a party dictator and of trying to create a personality cult.

The Senanayake faction, backed by Anura, carries 13 of the 17-member politburo.

The present row had some of its beginnings in the choice of a candidate to represent the Bandaranaike home-base constituency of Attanagalla, which Mrs Bandaranaike had to give up when she lost her civic rights.

Mrs Bandaranaike wanted her daughter Chandrika Kumaratunga to represent the seat. The dissident group within the politburo wanted Anura who is already an MP.

The difficulty was overcome with the appointment of Lakshman Jayakody under the new system of proportional representation. Mrs Bandaranaike made the point that Anura already had a seat. Should she win back

her civic rights, Chandrika, she said, would willingly vacate the seat to make room for her.

The Senanayake group has maintained that the majority of party branches in the constituency wanted Anura and that Mrs Bandaranaike would have none of it and wanted to make her own choice.

The charge of an attempted dictatorship over the party by Mrs Bandaranaike arises from the new SLFP constitution. The new party constitution, according to the Senanayake faction, perpetuates the principle of appointment or nomination of electoral organisers and others by the party president and not by open elections. Mrs Bandaranaike is the SLFP president.

The Senanayake group has stressed that the leadership should derive its power from the membership and not the other way around. Choice of all officials should be through election by members, right up to the highest policy-making body.

In a scathing letter to Mrs Bandaranaike, Mr Senanayake asks: "Can we think that there are among us persons who are so bereft of shame to say here or abroad that the president (of the party) is chosen by a body, the majority of whose members are chosen by the president?"

Mrs Bandaranaike has answered that 13,000 or more members of party branches have given her the mandate to be the leader at the next election. And it is the practice of all leaders to choose representatives and electoral organisers, she said.

"Why is this right being disputed now, when prior to the dispute I was trusted to make the selections?" she asked.

This question can be partly answered by the fact that her disenfranchisement makes it illegal for her to vote, to contest an election or to campaign in an election. There are some party members who believe that the inclusion of her name in the list office-bearers would lead to a court case after an election. — Depthnews Asia

## MAHAWELE PROJECT KEY TO NATIONAL DEVELOPMENT

Kuala Lumpur BUSINESS TIMES in English 29 Sep 81 p 15

[Article by Keith Stafford in Madura Oya]

[Excerpts]

ENGINEERS from Canada and Europe are repeating history in Sri Lanka, following the example of ancient kings who undertook massive water conservation projects across the country to improve irrigation.

Now, the Sri Lankan government is undertaking an enormous scheme — estimated by the Finance Ministry to cost US\$3 billion — to hold back the waters of the 330 mile-long (530 kilometres) Mahaweli River, which runs from the tea plantations of the Sri Lankan highlands down to the sea beside the north-eastern port of Trincomalee.

Like many Third World countries, Sri Lanka, formerly known as Ceylon, is plagued by geography and climate which inhibit development. In its case the passage of monsoon rain across the country twice a year.

These downpours serve only to muddy baked-hard dry topsoil and subsequent rain runs off quickly along the rivers to the sea, with drought following in their wake.

Sri Lanka again this

year suffered from serious drought and in August the government estimated half-a-million of the 15 million population was being affected, with food supplies dwindling.

Sri Lanka also faces the rising costs of importing fuels and meagre foreign exchange earnings with which to pay for them. Thus it needs to increase power generation at hydroelectric plants, a need the Finance Ministry said in a recent report "cannot be overemphasised."

The Mahaweli project is regarded as an answer to both major problems and a key to the country's development.

It involves building four dams along the river basin to trap the monsoon rain, with water initially used as power for hydroelectric stations, doubling the country's hydroelectricity generating capacity, and then moved either beyond the dams or through tunnels to adjacent valleys to increase the country's irrigated land by about 10,000 acres (4,000 hectares).

The original plan for Sri Lanka's largest ever development project, was for five dams, but had to

be reduced because of rising costs.

The largest project is the US\$350 million Victoria project partly financed by a £100 million (US\$150 million) grant by the British government. British engineering and construction companies are now building a 586-metre long dam rising to 440 metres high across the river as it merges from the highlands not far from the old capital of Kandy.

The dam will trap about 730 million cubic metres (955 cubic yards) of water, ultimately generating 210 megawatts of hydroelectric power. So far the river has been diverted away from the site and water tunnels are being built to carry water to the power station.

Further downstream, the river will again be delayed on its seaward journey at Kotmale Dam, being built by Swedish companies with the financial support of about 630 million Swedish crowns (US\$120 million) from the Swedish government.

This project ran into geological problems due to unstable soils at the original site so the scheme was shifted

downstream and now work has started on a planned 300 megawatt power station.

The Madura Oya project here in the eastern part of the river basin, 20 miles (30 kilometres) across swirling dust roads from the nearest town, will create

a reservoir for holding irrigation water to feed both the valley below the dam and pipe water through a 1.75 mile (six km) tunnel to an often parched neighbouring valley.

About 75 Canadians, 300 local staff and 1,500 Sri Lankan labourers are involved in the project which is costing C\$110 million (US\$123 million), with the Canadian government providing a loan of C\$75 million (US\$92 million).

The work started in October 1980 and Mr Andre Jordan, the Canadian project manager, says he expects to trap monsoon waters flowing down from the highlands after the rains fall.

The fourth dam, the Randenigala/Rantambe reservoir, is still at the planning stage, with technical assistance from the West German government. — *Reuters*

## MIDDLE CLASS REBELS ARE CATALYST IN RACIAL VIOLENCE

Kuala Lumpur BUSINESS TIMES in English 19 Sep 81 p 6

[Article by Denzil Peiris]

[Excerpts]

SRI LANKA, struggling to raise itself after seven disastrous years under Mrs Sirimavo Bandaranaike and her cosmetic socialism is now wracked by tensions, often erupting in rioting, between its majority Sinhalese community and the main minority of Tamils. One of the immediate provocations to rioting have been incidents such as the shooting of a Sinhalese policeman in the Tamil speaking north of Sri Lanka, sending the police force there into a vendetta of violence, destroying shops and the public library. Another incitement to racial violence was the attack, allegedly by Tamils, on Sinhalese Catholics on a pilgrimage to Madhu, a shrine located in the Tamil North.

These are the sparks. The fuel for the racial antagonisms are in the country's underdevelopment and the legacy of 150 years of British rule, which the defective economic strategies of the successive governments, of the right and left-of-centre, failed to correct. Unless these are remedied, the middle classes in both communities, the principal victims of lopsided development and education unrelated to the nation's needs, will continue to feel they have "no place in the sun." Middle class rebels with

a cause are the principal catalysts of violence among both communities.

A landmark in the history of communal violence was the "Bloodless Revolution of 1954." In elections that year the right-wing government of Western orientated elites of landowners, compradore merchants and lawyers and doctors who invested their monies in tea, rubber and coconut plantations, was overthrown after a continuous exercise of power of nearly thirty years (before and after independence in 1948). Both Sinhalese and Tamil radicals and liberals worked for its downfall, seeing the right wing United National Party governments as being hostile to the people's aspirations for a fair economic deal.

The principal slogan for "Revolution of 1954" was "Make Sinhala the official language." Solomon Bandaranaike who was elected to power in the "Bloodless revolution of 1954" implemented the policy of making Sinhala the language of administration but tempered it with such qualifications as giving Tamil public servants, and potential candidates, a grace period in which they could acquire proficiency in Sinhala. In communications from the government to

citizens the original "authorised version" would be in Sinhala but translations in Tamil, and English to those not proficient in either indigenous language would be attached. At the same time, Bandaranaike attempted to de-centralise the administration by proposing "regional councils."

As it often happens in movements of dramatic change, over-zealous Sinhalese officials discriminated against Tamils in public service appointments and promotions. This aggravated the Tamil grievance that they had become "second class" citizens. The public service was the principal arena of conflict since it was almost the only source of employment for the middle classes in both communities.

Tamil resistance and Sinhalese counter-resistance led to several race riots. The Sinhalese were also scared by the proposal for regional councils. With memories of South Indian invasions which had through the centuries ravaged the ancient Sinhala civilisations, vivid in their minds, the Sinhalese feared that regional councils in the North and East would lead to a breakaway Tamil state which would ally itself with South India.

Speeches by some leaders of the Dravida Munethr Kazakam (DMK) government in South India sharpened these fears. The Tamil leaders in the North and East also speak of a separate Tamil state - Eelam. Young militants, victims of job frustration, are engaged in mini-guerrilla actions on its behalf.

A merger of "Eelam" with South India could be disadvantageous to the Tamils who would be swamped by the numerically larger "big brothers." Nor can the Sinhalese agree to it; it would mean ceding the port of Trincomalee and mixed Sinhala-Tamil areas. "Eelam" is a bargaining counter for Tamil moderates and a rallying cry for young militants.

Jayewardene has tried to win over the Tamils by giving their language national status. Job discrimination has been ended. Elections for "District Councils" have been held as part of a decentralisation process which would give the Tamils some autonomy on economic and cultural issues.

But the tensions will abide so long as the current defective development strategy continues. Serious indigenous resources based on industrial development is not on. Nor is agricultural growth intensified.

- Third World Media



UNITY OF DEMOCRATIC FORCES SAID TO BE SOLE MEANS OF PREVENTING COUP

Bangkok CHAT THAM DOI BORISAT SAMNAKPHIM ATHIT in Thai 31 Oct 81 p 5

[Editorial in magazine replacing the former SIAM MAI under the provisional title above which translates PREPARED BY THE ATHIT PUBLISHING COMPANY: "Don't Resist a Coup With Words"]

[Text] The current round of coup rumors are still circulating vigorously in Thailand's political climate. In the past, whenever there has been news of a coup, the anti-coup groups or democratic groups come out of the woodwork to protest the coup. The form this generally takes is that debates are organized and slogans are issued protesting the coup. These methods have never been effective, regardless of the vehemence of the verbal protest activities.

At present it is very believable that there will be a coup in Thailand's future. Therefore, the democratic groups or groups protesting coups should begin actively considering their long-term courses of action in coup resistance.

The forces of democratic, anti-coup groups are still weak. They are not centralized. If there were to be a coup, the dispersion of these forces would be tantamount to their being dealt a severe setback.

A real and important consideration in resistance to a coup should likely start with the idea that democratic or anti-coup groups will be able to bring their scattered forces together at a rallying point to protest a coup by political interest groups, even though their forces have many differences in their methods of operation.

Real anti-coup forces must include firm economic forces, military forces they control, forces of civil servants and solid popular forces.

There are two ways of resisting a coup: action to call a halt to coup conditions or the dispersal of those forces desiring to make a coup. Another way is that if one is unable to resist an immediately-occurring coup, it is appropriate to depend on the forces on hand to quickly overthrow the coup-makers who have taken power.

Both of these methods must include the cooperation and the unity of the economic forces, democracy-loving military forces, the political parties, civil servants and the masses.

Resistance to a coup is an important political rallying point of all democratic forces. These forces should certainly be able to seek cooperation in setting up an organization to really resist a coup, to have firm plans and be in a condition of constant readiness to handle the political interest groups who are always capable of mounting a coup.

Talk or debates cannot resist a coup. Only force can do that.

CSO: 4271/23



## BLACK MARKETEERING SITUATION DISCUSSED

Bangkok THE NATION REVIEW in English 24 Oct 81 p 12

[Text]

**T**HE ARMY WAS finally given the much-needed power last week to deal with black marketeering across the borders. Black marketeering — particularly that on the Thai-Kampuchean border — has reached the stage that threatens national security.

The Royal Decree that gives the defence minister sweeping power to control the movement of goods on the border areas and in territorial waters was endorsed on Tuesday by the Cabinet and is seen by observers as the right answer to the disturbing problem of

black marketeering.

In practice, the Royal Decree gives the military unlimited authority to deal swiftly with black marketeers on any border areas in the country.

For almost three years, areas along the Thai-Kampuchean border have become "free trade zone" for black marketeers who flocked there in — thousands soon after the fall of the Pol Pot Regime.

It was not until last year that the army began to feel a backlash of the black markets. The black market items — most of them basic commodities — not only went to the hungry Kampuchians but also reached the hands of the Vietnamese-backed troops.

But despite consistent crackdowns, the black marketeers have been able to find their way

through the soldiers' blockade to do their flourishing trade with the Kampuchians.

Between 30-40 million baht worth of contrabands were believed to have changed hands daily at the height of the illegal activity.

After local provincial officials failed to tackle the problem, the army fully stepped in. The army accomplished in containing the border black markets but found it difficult to totally eliminate them.

At present three army divisions — the Second Army Division (Prachin Buri), First Army Division (Bangkok) and Ninth Army Division (Kanchanaburi) — are put in charge of the problem.

"We don't have a tough law to scare the black marketeers. That's one of the reasons why black markets are still flourishing," said a senior official of the First Army Division, who is directly responsible for the problem.

In dealing with the black markets, the army exercises its authority granted under the martial law. Under the law, black marketeers can be detained up to seven days and fined up to 500 baht.

But in reality, the law did not prove to be of much help. Black marketeers who make quite a fortune on each trip is willing to be fined and detained.

So far the past several months the army has been detaining and fining black marketeers with familiar faces.

Three months ago, the First Army Region decided to declare the entire border areas in the three border districts "communist-infested zone." The districts are Ta Phraya, Aranyaprathet and Wattana Nakhon.

Under the Anti-Communist Act, the army can impose severe punishment on black marketeers.

"We can detain them for a longer period and confiscate their vehicles and goods and impose heavier fines," said an army officer for civil affairs of the Ninth Army Division.

The problem for a time seemed to be under control but black marketeering still continued to be active on a smaller scale. The detention centre at Nong Koong army camp of the Ninth Army Division is still full with black marketeers.

"We have been trying to tell them how much damage their activity has caused to the national security. But once they are free they will go back to the same business. The same persons we were talking to last week will be walking back to the detention centre in no time," said another officer.

Commander of the First Army Region Lt Gen Arthit Kamlang-ek has been behind all the tough actions against the black marketeers. When he was commander of the First Army Division before his transfer to the Second Army Region Lt Gen Arthit was conscious of how the black markets were hurting the national security.

Observers noted that the government was apparently aware of the magnitude of the problem and decided to push out the law in the form of a Royal Decree which did not require an approval from Parliament which is now in recess.

With power given by the Royal Decree,

the defence minister can declare any border areas or territorial waters "zone under control" to enable authorities to deal with smuggling effectively.

The decree does not spell out the types of punishments to be handed down on black marketeers or smugglers. It is left to the committee to be set up in that particular province to decide.

The committee, to be appointed at the order of the defence minister, will comprise the governor, his deputy, public prosecutor, police chief, commercial official and district officer.

Members of the committee are authorized to make searches at all times without warrants and impose selective control on the types of goods in the areas.

Suspects can be detained up to 60 days with court permission while their cases are being investigated.

"We have yet to work out the details of the decree. We definitely expect to have more severe punishment terms," said an officer of the First Army Region.

He said the decree was primarily designed to counter the black markets on the Thai-Kampuchean border.

However, there have been reports of Thai fishermen smuggling out logistic goods into Vietnamese waters to exchange for permission to fish there.

The decree will also be applied to such smuggling.

"We hope that with such decree in force, we will be able to put things under control," said the officer.

## TERRITORIAL DEFENSE CHIEF SAYS PROGRAM UNDERFUNDED

Bangkok THE NATION REVIEW in English 19 Oct 81 p 3

[Text]

TERRITORIAL defence students — better known as "Ror Dor" — have become a "forgotten force."

That is at least how Chief of the Territorial Defence Department Lt Gen Thienchai Sirisamphan views them.

Territorial defence students' most significant role is to serve as an important reserve for the army in the case of an emergency.

There are now as many as 134,498 students undergoing defence training throughout the country.

"But they are slowly becoming a forgotten force. Many people don't understand how important these students are," Lt Gen Thienchai said.

Territorial defence students normally spend between three and five years for training and they are exempted from military conscription.

students but practically he is training as many as 545 students.

The same situation is also true for trainers at sergeant level who are training as many as 233 students each while in fact their responsibility is for only 50 students.

Apart from the lack of personnel, shortage of materials for training is also a major obstacle, Lt Gen Thienchai said.

"We can afford to have only one rifle for every of the 300 students. Just imagine what kind of training we can give," he said.

According to the government policy, each of the students should be given at least 54 rounds of live ammunition for shooting practice a year.

"But we can afford only 19," he said.

The territorial defence chief also complained of inadequate training grounds

These students, he said, will assume the role of squad and platoon commanders.

"If we don't train them now we will face shortage of commanders of these two levels in the face of war. This shows how important these students are. They are in fact no less important than any of the armed forces," Lt Gen Thienchai said.

After three-year training, territorial defence students will be made commander of squad levels and after five years of training will become commanders of platoon level.

The immediate problem facing the Territorial Defence Department now is that it is not financially prepared to give effective training to the students.

Lt Gen Thienchai said normally an army officer is put in charge of training up to 200

which obstruct effective training.

He said all these obstacles have direct effect on the quality of territorial defence students.

Lt Gen Thienchai also deplored the popular perception that students take up territorial defence courses because they want to avoid drafted.

"This is a wrong perception that still exists today. Studying territorial defence courses is not supposed to be an escape from military conscription. We become territorial defence students to become soldiers when there is danger facing the nation," he said.

Lt Gen Thienchai said he believed territorial defence students have many important roles to play in the country.

"But they have been ignored all along," he said.

## BRIEFS

NORTHEAST GAS FIND--The results of exploratory drillings by Esso for natural gas in the Nam Phong fields appear to be very satisfying. There is sufficient gas to be commercially exploitable. The gas discovered here is more highly pressurized than that found in the sea and it is thought there is three times as much. The gas in this location is methane and is of very good quality, with only 1 percent carbon dioxide. It is thought that this discovery of natural gas will enable industry in the northeast to progress. [Text] [Bangkok PATINYA in Thai 26 Oct 81 p 4]

DEFENSE VOLUNTEERS DISARMED--Lt Gen Han Linanon, commander of the 4th Army Region has called a meeting of Nakhon Srithammarat Province senior officials and others to consider the operations of VDC [Volunteer Defense Corps] Group 1. In the municipality, the group is getting support from influential persons and is bearing arms in an undisciplined way. This is frightening the people and their behavior is a violation of policy. Because there have been so many complaints, Lt Gen Han has revoked the order on VDC peace-keeping operations in the municipality and for suppression of outlaws in cooperation with the police and administrative authorities. He revoked the order permitting them to bear arms which had been issued by the city VDC command. He had the order concerning the return of weapons sent to the [VDC] center director, effective immediately. He forbade them to wear uniforms or carry any type of weapon as of 6 October 1981. The military police of the 4th Army Region were ordered to maintain peace and order in cooperation with the [civil] police. [Text] [Bangkok PATINYA in Thai 26 Oct 81 p 4]

LIMITS ON LAND HOLDINGS--Mr Sanon Saisawang, chairman of the extraordinary commission that is considering the draft amendment to the land code, approved a resolution that would limit the right to own land for agricultural purposes to 50 rai. This followed the government's original proposal. The government's proposal to limit land holdings for industrial use to 10 rai still faces problems and is a matter of considerable controversy and a solution has still not been found. [Text] [Bangkok PATINYA in Thai 26 Oct 81 p 4]

PROBLEMS WITH NATURAL GAS--Natural gas from the Gulf of Thailand, which was scheduled to come on stream by 1 October with the hope that it would help provide vitality to a declining economy, cannot be provided to the Petroleum Trust to supply EGAT's [Electricity Generating Authority of Thailand]

Bang Pakong facility and the South Phranakhon plant as called for in the agreement until May of next year. This is according to high-level officials of the Union Oil Corporation. This is because of problems with moisture in the gas. Originally, Union Oil, the concessionaire, made an agreement with the Petroleum Authority to provide 200 million cubic feet of gas per year at \$2.00 per thousand cubic feet. [Text] [Bangkok CHAT THAM DOI SAMNAKPHIM ATHIT [[formerly SIAM MAI]] in Thai 31 Oct 81 p 1]

MAGAZINE NAME CHANGE--Dear Readers: Due to the fact that Mr Manop Plianchunthong, editor-in-chief and publisher of the publication SIAM MAI has passed away and the transfer of the right to the title SIAM MAI is not yet taken care of, it is necessary that SIAM MAI legally cease to exist for a while. The [publishing] corporation finds it necessary to stop using the logo SIAM MAI until the legal matters are cleared up. Therefore, it is necessary to carry on our work in the meantime in the form of printed material published by the original team of writers. It is hoped that you will understand this necessity and will continue to read our product without letup. Regards. [Signed] Athit Publishing Company Ltd [Text] [Bangkok DOI THIM NGAN SIAM MAI in Thai 7 Nov 81 inside cover]

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Nov. 27, 1981